

LaRouche Issues Challenge To Banker Felix Rohatyn

by Mark Burdman

On Aug. 23, U.S. 2004 Presidential pre-candidate Lyndon H. LaRouche, Jr. issued a world-wide challenge to former U.S. Ambassador to France, banker Felix Rohatyn, to state whether his use of LaRouche's widely circulated proposal for "A New Bretton Woods" means that he is supporting LaRouche's proposal, or attempting to make a delphic end-run against LaRouche's growing influence world-wide on this matter.

To understand the significance of Rohatyn's action, the reader will need to know the following essential facts about Rohatyn himself.

As the global economic system careens out of control in a systemic breakdown crisis, a paradoxical, but most lawful phenomenon has begun to occur. Leading figures in the Anglo-American establishment have determined, that they must steal some of the fundamental policies put forward by Lyndon LaRouche, and put the policies forward publicly, in a twisted and delphic form, while excluding LaRouche from active participation in relevant deliberations. LaRouche is the one man who had forecast this systemic crisis, more than seven years ago. His policies would work, solving the crisis in the interest of the General Welfare as outlined in the U.S. Constitution, but his personal involvement in such deliberations will be critical to their ultimate success.

On Aug. 4, an insightful figure in the British institutional establishment, had tipped *EIR* off, that precisely this would happen. According to this figure, the highest levels of the Anglo-American establishment are resolved that "LaRouche must be traduced, traduced, and traduced again," since he "represents the reality of the economic situation which they are determined to deny. They cannot afford to praise even the slightest thing LaRouche does, because then the totality of what he is doing, might become credible." Yet at the same time, he went on, "they will have no problem in stealing this

or that item from LaRouche, while denying him any credit. Paradoxically, this will increase his influence."

So, on Aug. 18, top Wall Street banker Felix Rohatyn, Clinton's Ambassador to France, authored a commentary, in the City of London's main daily, the *Financial Times*, entitled "Back to Bretton Woods." In it, he called for "a new Bretton Woods, convened by the President of the U.S.," the which would be "a serious response to real issues." Any informed reader would have known, that Lyndon LaRouche has been intensively organizing precisely for such an initiative, even naming his Year 2000 Presidential campaign organization, "LaRouche's Committee for a New Bretton Woods." The LaRouche "New Bretton Woods" has been formally backed by leading national legislators in Italy, by state legislatures in several American states, and by prominent economists and political figures in countries around the world.

Since Rohatyn is undoubtedly such an informed reader, and is aware of LaRouche's global impact, his omission of the name "LaRouche" from his commentary is perhaps more important than the text itself, and a sure indication that what Rohatyn is intending is something less than kosher.

That Felix Rohatyn himself would be doing this, is a most telling sign of the desperation in Wall Street-City of London circles, who can no longer deny the extent of the global collapse. This is a time when it is being openly acknowledged in the transatlantic establishment press, that today's economic crisis is simultaneously engulfing the three "trilateral" components of the "advanced sector"—the United States, Japan, and Europe. Furthermore, the hottest subject under discussion in the financial pages throughout much of the European continent, as well as among policy elites in Russia, is that the world is on the verge of a giant crisis of the American dollar. In fact, the dollar has already lost almost 10% of its value against major currencies since early July.



Lazard Frères banker Felix Rohatyn: Does he accept Lyndon LaRouche's definition of the term "New Bretton Woods," the definition that is widely accepted worldwide?

Rohatyn Knows LaRouche Well

For decades, Rohatyn has been a senior figure in Lazard Frères, one of the most influential New York-London investment banking houses. Lazard has been the controlling influence in the *Washington Post*, which laid down the law, in 1976, that no coverage of LaRouche's activities would ever be allowed, and that the only thing that would be written about LaRouche, would be slanderous characterizations.

During the 1970s, Rohatyn personally oversaw a financiers' austerity dictatorship over New York City, the so-called "Big MAC," from which New York has never recovered. As *EIR* has amply documented, LaRouche and his political movement were leading a resistance movement against Rohatyn and his banker friends, centered around the declaration by the city, of a moratorium on its debt (see Richard Freeman, "How LaRouche Fought New York's Fascist Financial Dictatorship, 1975-82," *EIR*, July 27, 2001). Rohatyn, indeed, knows LaRouche well.

Rohatyn is also very cozy with Henry Kissinger, the man who initiated the extra-legal efforts to have LaRouche incarcerated, in the 1980s. As *EIR* has reported, it was Rohatyn who effectively authored what is perhaps the only chapter of Kissinger's latest book, *Does America Need a Foreign Policy? Toward a Diplomacy for the 21st Century* that shows any connection to the real world (see review, *EIR*, July 27, 2001). That is the chapter, in which Kissinger expresses panic about a possible global financial collapse. Rohatyn, like Kiss-

inger, is a creature out of the lower depths of Dante's *Inferno*, but unlike Kissinger, he is not stupid.

Undoubtedly, Rohatyn, a key influence in the U.S. Democratic Party, comprehends that, under the direction, or non-direction, of the Bush Administration policy team, "the game is up" for him and his friends, and that LaRouche's influence can, at any moment, take off, in all sorts of non-linear directions. First of all, the insane denial, by Treasury Secretary Paul O'Neill, that there even exists a fundamental crisis in Argentina and in the American economy itself, represents a clear and present danger to those banks that Rohatyn represents. But on a deeper plane, Rohatyn clearly recognizes that under George W. Bush, U.S. global influence is being massively undermined, and that this itself is a giant threat to what he understands to be "the system."

Notably, in his last weeks as American Ambassador in France, Rohatyn made a number of public statements attacking the pro-death penalty policies of Bush, and reporting his direct experience, in France and in other countries, with Europeans who were aghast at the drift of American policies. Rohatyn stated, in interviews or articles in the French press, that he was genuinely astonished by how deep these sentiments were in Europe.

Avoiding 'The Most Serious Consequences'

Rohatyn's antennae are very sensitive; hence the Aug. 18 *Financial Times* article, where he stated:

"I have believed for some time, that the time has come for a new Bretton Woods conference. The role of institutions created 50 years ago needs to be updated, to suit the needs of a world that has changed beyond all recognition. . . .

"In spite of strenuous efforts over the years by the international financial institutions and the leading industrialized countries, poverty and disease are still rampant among most of the world's population, and wealth differentials seem to be increasing rather than decreasing. I strongly believe in the benefits of globalization and of modern capitalism, but I also believe these are not obvious to everyone. . . .

"A new Bretton Woods, convened by the President of the U.S. with the Secretary General of the United Nations, would include representatives of the developing world, as of the developed world; it would also include representatives of non-governmental organizations [NGOs] and private sector leaders. . . .

"A new Bretton Woods conference, with broad participation of the private sector and NGOs, would help stop a trend that will surely get worse, if no action is taken. True, such a meeting would be controversial, but it would be a serious response to real issues. It would also challenge the [anti-globalization] protesters to be constructive.

"That is very different from holding ever-smaller meetings in ever-remoter locations, while insisting that what we are doing, is best for everyone. Historically, such an ivory-tower mentality has invariably led to the most serious consequences."