

Volcker Gang's Libor Protection Racket

by Marcia Merry Baker and Ed Spannaus

July 22—Former Federal Reserve chairman Paul A. Volcker joined with other hoary Wall Street henchmen of recent decades—George P. Shultz, Richard Ravitch, Alice Rivlin, et al.—to issue on July 17, their “Report of the State Budget Crisis Task Force,” blaming such factors as the costliness and rising enrollment of Medicaid, and too many promises to employee pension funds, for the blowout of state and local budgets.

Rivlin, a former Federal Reserve vice chairman, spoke at a press conference in Washington, D.C., to release the report; she called for the establishment of a new Federal-state intergovernmental entity for “better communication,” in effect, to implement fierce cuts in government functions and spending.

Her proposal and the report completely cover up the Libor rate-fixing crime spree which cost states and municipalities billions of dollars in losses on fraudulent interest-rate swaps tied to the rigged Libor rate.

This is not surprising, coming from such as Volcker, who is known to be actively counterorganizing against Glass-Steagall and H.R. 1489 (the Return to Prudent Banking Act). He did the same thing during the 2010 Congressional debate on financial



Paul A. Volcker: Leader of the bankster gang



Alice Rivlin: Shut down D.C. General Hospital

regulation, by offering his “Volcker Rule” for sham bank separation. The Dodd-Frank Bill process used his ruse—the Volcker Rule of pseudo-separation of commercial from speculative banking—to rout the forces moving to re-instate Glass-Steagall at the time.

Now Volcker and cohorts are again hyperactive—among governors, on Capitol Hill, and in the media—to define the crisis of states and cities as having nothing to do with the collapse of the economy, nor of Libor-looting by Wall Street.

Volcker is co-chairman of the privately funded State Budget Crisis Task Force, along with Ravitch, who has similar Wall Street-serving credentials, if less prominent. Rivlin, Shultz, and seven others are on the Advisory Board. Funders of the Task Force, which was formed in June 2011, include the Open Society Foundations of drug-legalization financier George Soros. The content of the new report, and the pedigree and activity of its sponsors, make clear their evil purposes.



George P. Shultz: With Volcker, ended the Bretton Woods system

Dump the Poor, Sick, and Old

The report focusses on six states (California, Illinois, New Jersey, New York, Texas, and Virginia) and summarized their situations as being under six “threats” to state “fiscal sustainability.” The threats are:

1. Medicaid is “crowding out other needs.”
2. Federal deficit reduction means states will have less funding.
3. States have made retirement “promises,” which they have underfunded.
4. States have an eroding tax base, and high revenue volatility.
5. Local governments’ “fiscal stress poses challenges for states.”
6. “State budget laws and practices hinder fiscal stability and mask imbalances.”

The report characterizes these features of states’ conditions as adding up to a “structural” crisis, and presents recommendations, which amount to ordering states to knuckle down, pay their debts, especially to Wall Street

creditors, and roll over. Volcker and Ravitch warn, “The ability of the states to meet their obligations to public employees, to creditors and most critically to the education and well-being of their citizens is threatened,” so state governments had better get prepared to cut back. This is essentially the same message as the infamous but failed “Catfood Commission” (Simpson-Bowles Commission)



Creative Commons/Matt Ryan

Richard Ravitch: With Felix Rohatyn's Big MAC, looted New York City

set up by Obama, so named by its opponents because it would lead to putting the poor on a diet of catfood.

The reality behind these recommendations—which the states have already been carrying out over the last decade and more—is the insistence that the population’s welfare continue to be sacrificed to the payoff of the gambling debts of the major Wall Street/London banks—a sacrifice that could be stopped in its tracks with Glass-Steagall.

The Messengers’ Record

In the case of this message, look at the record of the messengers.

Volcker and Shultz were both architects of the Aug. 15, 1971 collapse of the Bretton Woods system which ushered in the era of floating currency exchange rates, and the world casino economy of speculation and genocidal globalization.

Volcker was president of the Federal Reserve of New York, 1975-79, and forced through the approval of the Hongkong and Shanghai Bank, the British empire operation known for dope-money laundering, to buy into Marine Midland Bank, based in New York. He bulled this through over the intense opposition by state and community leaders at the time. Now the scandal has blown wide open, documented by Congress this month, of the longstanding dope-money operations of the HSBC (formerly the Hongkong and Shanghai Bank).

In August 1979, Volcker became chairman of the Federal Reserve Board, instituting his policies of high-interest-rate harm to the physical economy, while implementing more and more deregulation for Wall Street and the City of London.

In 1975, when New York City was devastated by sweeping cuts in its essential services—fire, police, public health, sanitation—under the dictates of the newly formed Municipal Assistance Corporation—Big MAC—to force payment of bank debt, Ravitch helped implement the destruction. Ravitch headed up the New York State Urban Development Corp., while Felix Rohatyn was head of Big MAC.

Rivlin has earned her stripes for gutting cities. From 1998 to 2001, she headed up the District of Columbia Financial Responsibility Management Assistance Authority—a Congressional agency formed to issue orders to Washington, D.C., while restricting its resources—which took actions in the name of “fiscal sustainability,” such as shutting down the 400-bed, full-service D.C. General Hospital in 2001, to “save money.”

On July 17, 2012, Rivlin called for re-creating such a commission, modeled, she said, on the Advisory Commission on Intergovernmental Relations of the 1970s. Her idea is to have all levels of government—Congress, mayors, governors, state lawmakers—talk about their “fiscal condition,” while the chosen megabanks exercise their license to kill.

Lyndon
LaRouche

On
Glass-Steagall
and
NAWAPA:

The North American Water and
Power Alliance

“The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there.”

“Put Glass-Steagall through now, and I know how to deliver a victory to you.”

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