
POLICY STATEMENT

'U.S. not responsible for the Eurodollars'

The world's foremost economic forecaster, U.S. Democratic Party political figure Lyndon H. LaRouche, Jr. on July 8 warned European governments and central bankers that "the government of the United States has no lawful responsibility to redeem any form of U.S. dollars except lawful issues of actual currency-notes presented."

The former U.S. Democratic presidential contender referred to "a current scheme for arranging a technical, short-term default of the Polish, Hungarian and Romanian debt payments to trigger a Eurodollar-market collapse in such a way as to collapse the value of the U.S. dollar itself." He threatened the plotters: "Be forewarned that fictitious dollar-issues such as Eurodollar accounts are fully the responsibility of the financial institutions which actually issued the credits. In each such case, the denomination of these issues in bookkeeping values pegged to the U.S. dollar have been a convenience chosen by the issuers and borrowers, with no binding implications for the government of the United States."

He emphasized: "I warn certain influential European gentlemen to come to their senses in this matter. It is upon their own heads that the trillion-dollars mountain of Eurodollar paper will collapse, most assuredly, if they continue to play out the foolish scenario in which many among them are presently engaged."

The former presidential candidate warned that those governments and bankers should study the U.S. Constitution, "whose language on related matters is very clear." He emphasized that "those who imagine that U.S. constitutional law is modeled upon British law are indulging themselves in a dangerous delusion in this matter of Eurodollar accounts."

LaRouche, Advisory Committee Chairman for the fastest growing political action committee within the Democratic Party, the National Democratic Policy Committee, added that "just to be certain the U.S.

government acts according to our Constitution in this matter, our organization is launching immediately a nationwide campaign to forewarn citizens of the monstrous swindle certain European gentlemen have been attempting to organize against the United States."

"I hold an alternative out to these would-be, lecherous looters of the people of the United States," said the prospective 1984 contender for the Democratic presidential nomination. "It is time to scrap the Rambouillet and subsequent foolish agreements, and to institute quickly those measures of sweeping monetary reform I have been consistently proposing internationally since spring 1975." He referred to the 1975 campaign for a gold-reserve-based new world economic order which prompted Henry A. Kissinger to begin the campaign of international harassment against LaRouche, which Kissinger and his circle have continued down to the current month. "After August 1976, Kissinger may have succeeded in overthrowing Mrs. Bandaranaike of Sri Lanka, temporarily overthrowing Mrs. Gandhi, and successfully ordering the overthrow and killing of President Bhutto, but the ideas of Pope Paul VI's *Populorum Progressio* cannot be killed by a mere Kissinger.

"The point of monetary collapse has been reached at which the bankruptcy of Third World debtors has become the bankruptcy of the Third World's creditors, echoing the reasons for the collapse of the Bardi, Peruzzi and other Lombard usurers during the fourteenth century. In point of fact, most among the world's most powerful bankers are implicitly bankrupt at this moment.

"The time has come to shut down the International Monetary Fund and to end the grip of the Bank for International Settlements. Only a new, gold-reserve-based new world economic order can salvage a trillion dollars or so of presently unpayable debt. You gentlemen are behaving like pickpockets plying their profession among the passengers and staterooms of the sinking ocean liner *Titanic*, who seem to prefer lying rich at the bottom of the Atlantic to surviving the catastrophe you have brought largely upon yourselves."

LaRouche's reputation as the world's foremost economist developed chiefly through the success of the quarterly LaRouche-Riemann economic forecast for the U.S. economy. Since this quarterly report was issued, beginning the last quarter of 1979, it has been the only consistently accurate forecast as to trends and turning-points published by any governmental or private forecasting service anywhere in the world. He referred to this fact in concluding his warning to European governments and bankers: "If you gentlemen imagine that you have economic advice contrary to my own, be reminded that all schools of economic thinking contrary to my own have been proven consistently incompetent over each quarter of the past two and a half years to date."