

Editorial

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In the Jan. 10, 1992 issue of *EIR*, the cover story was, "Why the Panic Over the U.S. Banks Is Justified." We informed you that Citicorp was bankrupt, and had been taken over by the New York Federal Reserve. This is news that is only now making financial headlines in other publications.

The situation with Citicorp is paradigmatic of the bankruptcy of the entire U.S. banking system; nonetheless, gossip is now circulating that the U.S. banking regulators have allowed Citibank so many violations that they themselves may, at some future date, face criminal proceedings for willful negligence.

In our Jan. 10 bombshell story, which is only being picked up now, we wrote: "Citicorp, the largest and most bankrupt of the big banks, is at the center of the banking crisis. According to well-informed European banking sources and members of the staff of the House Banking Committee, Citicorp has been taken over by the New York Federal Reserve in a top-secret government bailout.

"According to these sources, the Fed seized Citicorp near the end of the third quarter of 1991, but is keeping the move secret to avoid setting off a financial panic."

This is only one of the many stories—dealing with many different topics—which have broken first in the pages of *EIR*. That is why so many readers like yourself, read it carefully each week. Still, we need you to help us to expand our influence so that we can make the truth known. We need to reach more readers.

Two years before, on Feb. 16, 1990, Lyndon LaRouche accurately forecast that the economic debacle which the United States is now facing, would bring down George Bush. He based this on more than merely the weak condition of U.S. financial institutions, but pointed instead to the desperate situation of the whole economy, most especially the collapse of infrastructure.

He pointed to the discrepancy between what he called monetary structures—which were rising on the charts because of all of the money being pumped into

the economy by the Federal Reserve—and the collapse of the real economy, which is reflected in a combined public and private debt of over \$20 trillion.

Two years ago, many Americans still believed the myth that the United States was in the midst of a recovery. To many, LaRouche's words may have seemed unduly harsh; yet what sane individual today would not agree that he was right?

But while many now agree with his prognostication of grave economic troubles ahead, how many have any reasonable solution for the present economic collapse? Only LaRouche is talking about economic growth as the only way out of this depression.

This is not merely a question of massive investment in infrastructure—although such investment is absolutely essential to the survival of the U.S. economy, and LaRouche has spelled out such a program in great detail, including in these pages; more, it is a question of the basic assumptions which must underlie any successful economic policy.

Thus LaRouche wrote in February 1991: "In the course of our national history, whenever the United States government has adopted the policies of Adam Smith and opposed what are sometimes known as the command economy policies of Alexander Hamilton and President George Washington, the United States has gone into a deep depression. And this period is no exception. Since the 1950s, an increasing tendency toward deregulation and so-called free trade, or free markets, has brought the United States again to the point of collapse. The difference is, that this time we're headed toward a total, physical economic breakdown crisis."

If the United States is to get out of its current devastating economic collapse, then what is needed is, on the one hand, a leadership that knows what to do on a minute-to-minute basis. It needs Lyndon LaRouche in a position to guide the economy to a successful recovery. It also needs you and your associates, dear reader, to help us to educate the U.S. population, so that they will demand that the United States return to the economics of Washington, Hamilton, and LaRouche.