

More on Rohatyn

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Reports on some European reactions to my “Tale of Two Bozos,” say that some of the locals there complain that they do not understand the substance of my objections to Felix Rohatyn’s latest scheme for luring and looting prospective investors. The problem is not that they do not understand; their problem is that, for special reasons, they do not wish to understand what should be quickly obvious to any intelligent and literate adult person.

The motive for those complaints, is, simply, that very few Europeans wish to know the fundamental difference between the American System of political-economy, which is based on a system of state credit, and European monetary systems, such as that of John Maynard Keynes, or the system of allegedly “honest money” proposed by the inherently dishonest, American traitor, fascist, and certified lunatic, Ezra Pound. Prevalent ideas about money and credit, throughout Europe today, remain crafted in Europeans’ self-inflicted habit of following the Venetian tradition of usury. Therefore, they do not know that difference between a credit system and a monetary system, simply because they do not wish to know that difference.

I repeat: the problem is that the typical European, especially most among the professionally educated ones, either does not know, or does not wish to know, the difference between a system of productive credit, such as the American System, and those states of misfortune known as the current European ideas of a monetary system.

To make the relevant point clearer, this difference between American and European customs, also accounts for one of the principal reasons so many Europeans were lured into accepting the fascist economic systems which the Synarchist International’s concert of private bankers installed on that continent during the 1922-1945 interval. So, Americans familiar with the rudiments of economic matters, have an instinctive aversion, as I do, and, apparently as former Federal Reserve Chairman Paul Volcker does, to the aromas of



Synarchist banker and “Big Mac” swindler Felix Rohatyn

the Synarchist tradition at the center of all Rohatyn’s more notable past and present schemes. Volcker and I disagree on some significant points of policy, but as cultured American professionals who know the American System, we quickly identify the Synarchist stench radiating from Rohatyn’s schemes, as even educated Europeans usually prefer not to do.

Prevalent European ideologies are steeped in the sickening effects of the more than a thousand years under the reign of monetary systems still traced to Venice’s influence, up to this present day. Any literate Italian who is willing to face up to this particular truth, has the cultural background needed to recognize the truth of what I am saying, better than any other type of European. He enjoys the disadvantage of being closer to Venetians today.

How To Make Money Work

Under the U.S. Federal Constitution, lawful money is that issued by a monopoly of the Federal Government, as conditioned by the U.S. House of Representatives. This money is not properly based on anything but the credit of the U.S. Federal Government; no other form of money is allowed to be used, or possessed, except under the provisions of lawful treaty agreements with other sovereign governments. It was that U.S. dollar which provided the essential basis for the 1945-1971 existence of the Bretton Woods System. Under European systems, and the present floating-exchange-rate perversion of the International Monetary Fund, monetary systems are of the form of “independent” central banking systems, such as the Keynesian system, in which the credit of the state and its monetary affairs are controlled by the power of private banking interests.

For an example, take the case represented by my current proposals for U.S. economic recovery.

I have outlined the creation of a vast debt, for investment in improvements and enterprises which will increase the wealth of the nation by a far greater amount than the denotable monetary value of the debt incurred. Such are the strategies which I have summarized in my current *EIR* feature, “The Principle of ‘Power’.” This debt is prescribed to be incurred, as Federal utterance of obligation to deliver a Constitutional form of currency, for employment of people in actions which will increase the productive powers of labor and their products by a far greater amount than is expended for those actions. It is the increase of the production by technologically progressive labor which is the security for the monetary debt uttered.

This outlay of debt-money (i.e., credit) is based on powers of a physical-scientific type, not any monetarists’ notion of so-called “utilities.” This is made clear enough in both my “Vernadsky and Dirichlet’s Principle” and the currently featured special Christmas issue of *EIR*.

Thus, the national system of economy depends upon the use of the power to tax and to regulate, to ensure that the utterance of money by the state, as credit, is defended by use

of the power of the state to affect prices, and investments of the government, in such a way that the long-term obligations incurred by the creation of credit as money will be met in a timely way. The principle is, that the sovereign government's perfect monopoly in uttering money as a form of credit, is intended to promote both physical expansion of the economy and increase in productivity per capita and per square kilometer of territory.

Therefore, under "globalization," there would be no honorable form of sovereign debtor or creditor. Echoes of the Venetian system's mid-Fourteenth Century "New Dark Age"! There would be soon no one efficiently accountable for paying the future obligations incurred by the issue of money.

The contrary conception of money, as expressed in an extreme form by the fascist scoundrel Ezra Pound, is merely carrying the customary fool's misunderstanding of money to an extreme. Pound's Venetian conception of "honest money" is a logical extension of the ideas about the relationship between money and value which Karl Marx learned from the Venetian Party under whom Marx was trained in economics under the patronage of his sponsor Lord Palmerston.

This was the Palmerston who owned Marx's immediate patron, Giuseppe Mazzini, and "Young Europe" lock, stock, and barrel. That was the same Russia-hating Karl Marx who, probably, at the instigation of the British Library's Urquhart, published a diatribe denouncing Palmerston as a Russian spy. This was the same Palmerston whose agent, Mazzini, publicly anointed Marx the manager of the socialist First International.

Many Europeans believe passionately in some very strange things.

Thus, in Europe today, where utterance of credit for long-term capital improvements would bring European national economies into balance today, as the present case of Germany illustrates the point most forcibly, the subjection of the state to the external authority of a money-based central banking system, forces measures like those taken under Brüning, which paved the way for Hitler and World War II. Europeans' habituated belief that money represents value in itself, leads Europe repeatedly into such, or comparable forms of catastrophes.

The problem some Europeans report they have experienced in "understanding" my piece, is not that they could not clearly understand what I have written. The problem is, as I have said here earlier, that they do not wish to understand what I have written. They have an attachment to habituated European ideas about money, as the patrons of prostitutes used to become attached to the spread of venereal diseases. They may not have liked the sickness very much, but they would not abandon the practices by which it is spread.

Simply, Rohatyn is all too typically European, which is to say, he is a typically European Synarchist, which is to say fascist.