

EIR LaRouche in Strasbourg

AT THE EUROPEAN PARLIAMENT

LaRouche Blasts Fed Folly, Calls for New Credit System

by Nancy Spannaus

Speaking at a press conference at the European Parliament headquarters in Strasbourg, France Dec. 17, U.S. statesman and economist Lyndon LaRouche blasted “the insanity of the present government of the United States, in going to a virtual zero interest rate,” and outlined his proposal for a new international credit system, to be initiated by a Four Power agreement among the U.S., Russia, China, and India. The half-hour event was hosted by Member of European Parliament (MEP) Mario Borghezio, and attended by some 25-30 international journalists and MEPs, notably, anti-globalists from two Italian political parties, Forza Italia and Lega Nord. Also sitting on the podium with LaRouche were MEPs Cristiana Muscardini, Donato Speroni, and Erminio Boso.

After a short introduction by Borghezio, LaRouche—who was accompanied by his wife Helga Zepp-LaRouche and *EIR*'s Claudio Celani—took approximately 15 minutes to make the case that the current crisis was essentially one of financial derivatives—which can never be paid—and that the solution requires the application of bankruptcy reorganization, according to the principles of Franklin Delano Roosevelt's Bretton Woods system. The alternative, he emphasized, was a collapse only comparable to that of the 14th-Century Black Death. LaRouche stressed that he personally will be using the enhanced authority he has achieved as the only major economist who forecast this current

breakdown crisis, to make sure President-elect Barack Obama goes the FDR way.

Correspondents from Italy's major news daily *Corriere della Sera*, Spain's *El Pais*, and an Italian wire service asked questions. The final question came from a parliamentarian, who asked about the role of financial speculation in creating the crisis. LaRouche took the occasion to blast the role of Nazi collaborator George Soros.

Within the first 24 hours, wire stories went out in Italy, and news stories were published in both *Corriere* and a regional newspaper, *La Padania* (see transcripts below).

Zero Interest Rate Insanity

The fact that the Federal Reserve had lowered U.S. interest rates to a de facto 0% the day before, clearly created increased interest in LaRouche's appearance, his first at the Europarliament. A number of journalists asked him about why he called that action “insane.” LaRouche responded:

“I've been fighting for a 4% rate, a basic banking rate, in the United States for some period of time. Without that kind of protection, you can not maintain a credit system.

“Japan tried this with its overnight rate, before. Japan kept collapsing as a result of this. A zero interest rate is insanity. The only alternative to a zero interest rate, is for



EIRNS/Dean Andromidas

Lyndon LaRouche (center) gave a press conference at the European Parliament in Strasbourg, France, Dec. 17, on the insanity of the zero interest rate policy in the United States. Helga Zepp-LaRouche is seated to his right.

the government to make an outright grant! If governments vote for an outright grant, as for a humanitarian purpose, or some related purpose, that's fine. But a 0% interest rate corrupts the banking system, and you must have a stable—you *must have security for people putting their savings into banks!* You've got to protect—I think a 4% rate for open market activities, and a 2% rate, or 1.5% to 2% rate for special government credit systems is about the range you want to operate in.”

LaRouche also emphasized that the lowering of the interest rates threatens to create a dollar crisis, in the period before Obama takes office. In fact, the immediate impact of the Fed's action was to cause a huge collapse in the value of the dollar on the international currency markets, specifically against the euro and the yen.

The Case of George Soros

LaRouche also took the occasion of a question on the role of speculation, to take on George Soros, who is well known for having carried out his currency swindles against Europe back in 1992. LaRouche said:

“Basically, we're talking about the paradigm for this in the case of George Soros. George Soros is the biggest drug pusher on this planet. He's a drug pusher in Asia, he's a drug pusher in Europe, he's a drug pusher in the Americas. He also was a big power in the election campaigns in the United States, and it looks as though

Mr. Obama is not pleased with the result of this sort of thing.

“So, for example, a farmer on the borders of Afghanistan, will grow a crop of opium, of about \$600 valuation. By the time that product reaches Europe, it has a price of \$6 million. So that, the traffic coming out of Afghanistan, and other locations, through transit in the Carpathian region, into Europe, as in from the Caribbean throughout all South American states, except Colombia, and inside the United States, is one of the *biggest ulcers* on this planet. And if we don't control and stop this kind of speculation, which is associated with Mr. Soros, as probably the most evil single individual on this

planet today, we don't have sovereignty in any part of Europe.

“This corruption by drug trafficking, is one of the greatest evils on this planet today. And George Soros, who, as a teenager, was running errands for the Nazis, who were shipping Jews into concentration camps for execution, has not been killing Jews lately, but he's applied the same lessons and methods he learned, and has talked about, when he was a teenager in Hungary—has been applying those same methods of finance and gangsterism throughout the world today. And governments are treating people like that with *respect!* Which is a mistake. This is a crime! And should be treated by all governments as crimes.

“The failure to treat this as a crime, has opened the door to most of the evils on this planet today. If we protect our children, our citizens, against a drug traffic, then we have a basis for morality. If we do not protect our children, and our markets, our economy, from these drug traffickers, we don't have sovereignty. And that's the problem I think we see in Europe today. It's that the influence of these drug traffickers and their political associates, have undermined the sovereignty of the nations of Europe today. And I think our dealing with that, ruthlessly, in all parts of the world, is the thing that will open the doors for establishment of full sovereignty of nations, again, now.”