

EIRFeature

Will the April 22-nations effort succeed?

by Lyndon H. LaRouche, Jr.

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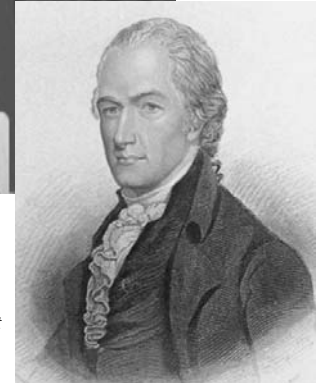
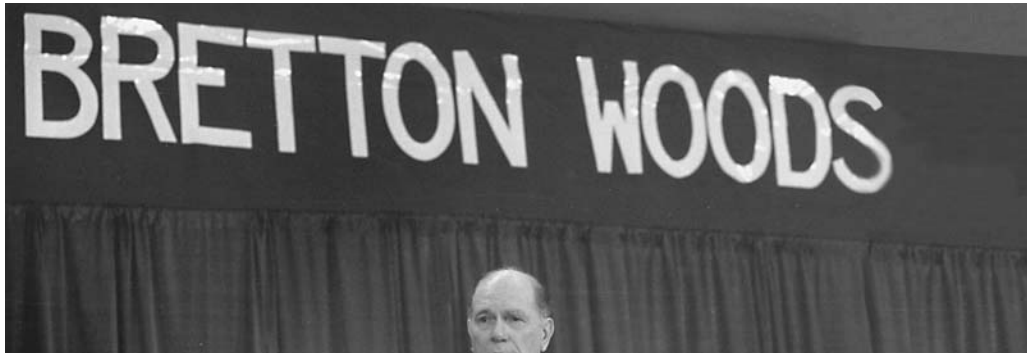
On Sunday afternoon, February 22, 1998, I dispatched the attached message to our Leesburg editorial office, for publication in the Monday morning edition of our daily (internal) briefing. The point was, neither the British nor Israeli governments would sit quietly for President Clinton's negotiation of a peaceful diplomatic solution in the Iraq crisis.

It had been the Israeli government of Prime Minister Netanyahu, which had organized the planned "smart-smart weapons" attack on Iraq (and also Iran targets) as early as October 1997. As Britain's Prime Minister Tony Blair has insisted, loudly, it was the British monarchy, not the Clinton administration, which insisted upon the U.S. bombing Iraq. Neither would tolerate President Clinton's endorsement of a diplomatic solution.

Knowing the British imperial mind as well as I do, I was certain, that Arab terrorist organizations harbored in, and directed from London would issue terrorist threats against U.S. persons and interests as early as Monday, February 23. Knowing the Israeli forces behind Netanyahu as well as I do, I was certain that Netanyahu would issue a threat of Israeli air- or missile attacks on Iraq, and possibly also Iran, as early as the same Monday. It happened exactly as I anticipated, and when I anticipated it would happen.

There were three reasons I issued that Sunday warning. First, by my stating what both London-controlled Arab terrorists and the Netanyahu government would do, when those agencies reacted as I had warned, on Monday, they demonstrated to anyone who is not a virtual idiot, that it was London and Israel which forced the threat to bomb Iraq down the throat of U.S. President Clinton.

I also knew why London would unleash its Arab terrorist threats against the United States. London's intention is to use terrorist incidents by ostensibly Arab terrorist groups (directed by London), as a way of, hopefully, provoking U.S. forces stationed in the Mideast into a "revenge bombing" against Iraq. In any case, should that trick fail, London's motive for pushing the bombing of Iraq, was never Iraq as



Left to right: President Franklin D. Roosevelt; Lyndon H. LaRouche, Jr. (at a conference in February 1997, calling for a New Bretton Woods System); and U.S. Treasury Secretary Alexander Hamilton. "The British monarchy's fear is," writes LaRouche, "that under conditions of impossible crisis, such as those in the process of erupting now, President Bill Clinton might resurrect the American patriotic matrix, and act in a crisis, as Roosevelt would have done."

such. For London, Saddam Hussein is simply an expendable diplomatic card, which they can, and will use to attack Iraq, or will assassinate, or not, whenever it pleases them. London's motive, then, and now, has been to weaken U.S. authority and influence around the world, to the degree that nations would shun cooperation with the Clinton administration in the projected 22-nation April meeting on the subjects of financial and monetary reform.

The global monetary crisis

Presently, the next round of the same global, systemic crisis which erupted late October 1997, is onrushing. At the moment, the global financial and monetary situation is out of effective control by the world's leading central bankers. The financial and monetary crises which erupted in Asia, Europe, and the U.S.A. during the period from the middle of October 1997, through, approximately the middle of January 1998, were child's play by comparison with those expected to erupt as early as mid-March. In the meantime, all of the so-called "bail-outs" and "reforms" undertaken in Asia, have proven themselves, each and all, medicine that is far worse than the disease.

On the subject of the financial, monetary, and economic situation, during the recent weeks, virtually all of the world's governments and daily news media, the U.S. included, have been lying far more than usual. The fear is, that letting the truth out will spark a mass political panic those governments can not control.

This crisis is no business-cycle crisis. It is no Asia crisis. It is a global crisis, which will hit the U.S. financial markets just

The terrorist threat

This urgent memorandum was conveyed by Mr. LaRouche to his associates on Feb. 22:

The question is, should President Clinton accept a recommended diplomatic resolution of the Iraq crisis, how will the British and Israeli governments react? One must remember, that the recent threat to bomb Iraq (and Iran) originated with Israeli circles close to Israeli Prime Minister Netanyahu, whereas the proposal that the U.S. commit itself to bombing Iraq came from the British monarchy.

There are two threats to be considered. Either, or both the British or Israelis might react. Either, or both might resort to terrorist acts intended to provoke bombing-reprisals against Iraq, or, the Israelis might act preemptively, with a bombing against Iraq, and possibly also missile attacks against key points in Iran.

Terrorist actions by "Arab terrorist" groups harbored in and steered from London, and, or Israel, or Israeli "preemptive" bombings of sites in Iraq, and possibly also Iran, remain highly likely reactions to any threatened "outbreak of peace." Only a publicly stated firm commitment by the U.S.A. to punish Britain or Israel if such capabilities harbored by either are used, can render such dangers less likely.

as surely, and just as ferociously as it has already struck all of the nations, excepting China, in East and Southeast Asia. It is a systemic crisis, a crisis which inevitably dooms the world's entire financial and monetary system in its present form.

The proposition facing all sane governments today, is: The *Titanic* (the world's presently existing financial and monetary system) is sinking; nothing can save it. Can we save the passengers (the people), the nations, and the physical (not financial) economy of those nations? The answer is: Yes; it could be done, and that quickly; but, only if the knowledge and the will to act appropriately are summoned. This is possible, only if the presently sitting President of the U.S.A., Bill Clinton, changes his policy, in time, and acts to bring together a group of nations which will ram through the needed reforms, whether or not the British monarchy likes it.

In short, what is required, immediately, is a return to the kinds of international and national financial and monetary regulation which were in force under the form of the Bretton Woods agreements in operation during the pre-1959 period. Only one modification need be added to those former Bretton Woods policies: in light of the hopeless bankruptcy of virtually all the world's leading central banking systems, a system of national banking, echoing the policies of U.S. Treasury Secretary Alexander Hamilton, is indispensable for a recovery. If you don't approve of Hamilton, you have chosen, probably, to die of economic chaos world-wide.

To make that reorganization of the world's financial and monetary systems effective, we require a President who will act as U.S. President Franklin Roosevelt did, under somewhat analogous circumstances. We require a commitment to inter-

national cooperation in fostering a set of much-needed infrastructure development projects, which will supply the dynamic for a general recovery of the privately owned agricultural and industrial sectors.

The hard core of the British monarchy has the murderous intent, that no such reform shall occur. In the eyes of the British monarchy, what I have just summarized is an echo of the program of post-World War II global reforms, which a horrified Prime Minister Winston Churchill knew that Roosevelt would have implemented had he lived. The British monarchy's fear is, that under conditions of impossible crisis, such as those in the process of erupting now, that President Bill Clinton might resurrect the American patriotic matrix, and act in a crisis, as Roosevelt would have done.

Therefore, the British and their Starr performers inside the U.S.A., are determined to destroy President Clinton, and to isolate the U.S.A. politically, as quickly as possible.

Presently, what appears to be the agenda for the announced April meeting of representatives of 22 nations (or, perhaps more) generally stinks. However, under conditions of aggravated crisis, between now and then, those things can be changed. The British monarchy would prefer that conference never occurred.

That is why the British blackmailed President Clinton into threatening a bombing of Iraq. That is why London unleashed the Arab terrorists under its control as soon as President Clinton's apparent acceptance of a diplomatic solution surfaced. That is why Israel is again openly threatening its "nuclear Armageddon" scenario for the Middle East—speaking of "weapons of mass destruction."

World leaders focus on the financial crisis

At the November 1997 Asia-Pacific Economic Cooperation (APEC) meeting in Vancouver, Canada, President Clinton pledged to host a world conference on reform of the financial system. Arrangements are now under way for this meeting to take place in Washington, D.C. in April. No exact date or agenda has been made available. A pre-meeting was held in Washington on Feb. 17, attended by financial officials from 21 nations and Hong Kong (now part of China), and also from the Bank for International Settlements and the World Bank.

In an address to the participants in the pre-meeting, U.S. Treasury Secretary Robert Rubin said that there would be "wide-ranging discussions" in the coming months, about how to change institutions to deal with expected financial crises. He spoke in general terms about devising a new financial "architecture."

Concretely, a new, multinational collaborative effort to finance a trade-rescue package came about during the week of Feb. 17, coordinated by the United States, and involving six fellow Group of Seven members, and 11 other nations, including Mexico and Australia. At the Feb. 21-22 meeting of the G-7 in London, this ad hoc group announced the formation of a new export financing mechanism, intended to deploy some \$10 billions this year, to finance Asian exports and imports, otherwise collapsing from currency blow-outs. However, this joint action is not typical of national responses to the financial breakdown.

Behind the scenes, there have been heated disputes over the role of the International Monetary Fund, and about the breakdown of the old Bretton Woods system. For example, journalist Marco Cecchini wrote in the Italian daily *Corriere della Sera* on Feb. 19: "The seven most industrialized countries are, reportedly, discussing, following an American request, a general reshaping of the international financial institutions, which includes . . . the downsizing of the IMF, an institution that the U.S.A. never really loved."

—Marcia Merry Baker