

## The Greenspan bubble is wrecking the world economy

by Jeffrey Steinberg

Every few months, Federal Reserve Chairman Alan Greenspan travels up to Capitol Hill to deliver his latest pronouncements on the state of the world economy. And with hardly any exception, his appearances are treated by Democrats and Republicans, Representatives and Senators alike, as something akin to God delivering the Ten Commandments to Moses. Greenspan is alternately referred to as “the most powerful man in the world,” “the *real* Chief Executive of the United States,” and “the wizard.” Your elected officials hang on his every word—even when they are unintelligible or utter nonsense, as they most often are.

As the events of Oct. 14-15 demonstrated, Greenspan’s alleged capacity to drive the global stock markets through the floor, or through the ceiling, is also the stuff of Olympian legend. When Greenspan delivered a speech before a group of bankers on Oct. 14—featuring the sage observation that all financial bubbles eventually burst, often at the most untimely and unpredictable moments—the Dow Jones and every major asset market in the world interpreted Greenspan’s truism as a sell order from the Almighty Himself. The next day, the Dow fell 266 points, and the *Washington Post* commented the day after that, that “the Dow fell on Greenspan’s warnings.” If it is any consolation, your elected representatives are lesser fools than the majority of pundits and fund managers on Wall Street.

The ugly truth is that it is Alan Greenspan himself, along with his predecessor at the Federal Reserve, Paul Volcker, who has presided over the biggest financial bubble in history, and a hideous, premeditated take-down of the real economy. His policies have directly contributed to the death and impoverishment of millions of people worldwide. But what has

happened so far as a result of the Greenspan-Volcker policies, pales in insignificance, compared to the Dark Age that will fall upon the planet, if those policies are not reversed. As Lyndon LaRouche has warned, when Greenspan’s bubble pops—as pop, it inevitably will—we will undergo the largest financial collapse in history. Nobody can say on what day this will happen. But any sane person will work to ensure that the policies are put into place, *now*, which will save human be-

ings, and the physical economy, even as the speculative paper evaporates.

It is no surprise that Greenspan began his career as the toy-boy for the philosopher-queen of selfishness, Ayn Rand. Rand and her cult following dubbed Alan “the undertaker.” Now, hundreds of millions of Americans are on the verge of realizing why that label is more appropriate today than ever.

The 21-year combined tenures of Volcker and Greenspan as chairmen of the Federal Reserve Board, represent the execution of a planned disintegration of the world economy, spelled out, not by the resident monetarists at the Fed’s Washington headquarters, but by a gang of geopolitical madmen associated with the Trilateral Commission and the New York Council on Foreign Relations (CFR). The fact that Greenspan was a protégé of Ayn Rand and Milton Friedman merely assured the boys at the Trilateral Commission that Greenspan, like his cigar-chomping predecessor, would be a willing facilitator of their strategem.

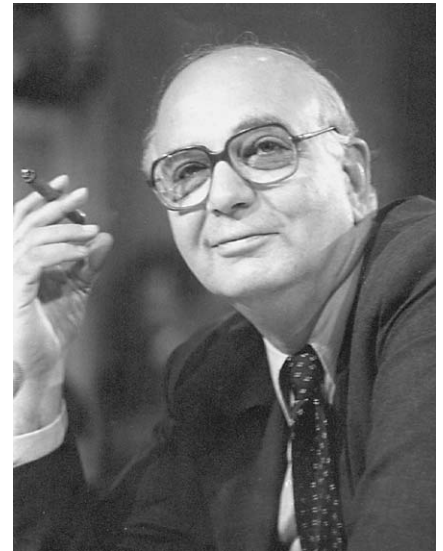
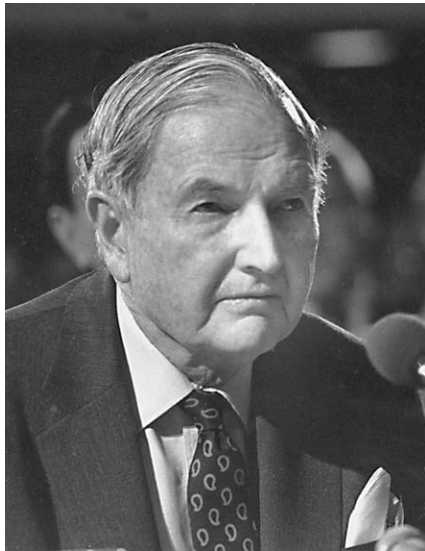
### A post-Bretton-Woods world

As LaRouche warned at the time, when President Richard Nixon dismantled the Bretton Woods system on Aug. 15, 1971, by decoupling the U.S. dollar from gold and ushering

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### Feature

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*Federal Reserve Chairman Alan Greenspan, along with his predecessor at the Federal Reserve, Paul Volcker, has presided over the biggest financial bubble in history. Co-conspirators in the crime of destroying the economy, left to right: the Trilateral Commission's David Rockefeller, Greenspan, Volcker.*

in a floating exchange rate system, he not only doomed his own Presidency. He also assured, barring a timely reversal of that insane move, that the world economy would, over a period of years, go through the worst collapse in modern history, through a succession of speculative and austerity maneuvers dictated from London and Wall Street. Forget the collapse of the Soviet Union and the end of the Cold War. The decisive event of the past three decades was the destruction of the Bretton Woods system, and the demeaning of the economic sovereignty of the United States and every other nation on this planet.

David Rockefeller, Zbigniew Brzezinski, Henry Kissinger, George Bush, and others, took the occasion of Nixon's Aug. 15, 1971 capitulation, to launch their Trilateral Commission, as the vehicle for implementing their globalization fantasies. Following the oil shocks of the mid-1970s, and the launching of the Euro-bond funny-money system, the Trilaterals vastly accelerated their plans with the imposition of the Jimmy Carter "All-Trilat" administration in January 1977.

When Volcker was installed as Fed chairman the following year, all hell broke loose. Carefully following the script that had been prepared by the CFR's "1980s Project," which included an explicit call for the "controlled disintegration" of the world economy and the elimination of "mercantilism," Volcker drove U.S. interest rates above 20%, thus assuring several things. First, hundreds of thousands of American family farmers, small and medium-size entrepreneurs, and even large-scale industrialists were driven into bankruptcy, unable to maintain their production under conditions of such usurious lending rates. Second, the high rates drew obscene amounts of foreign capital into the United States, seeking quick profits

in every imaginable speculative bubble scheme — from Texas real estate, to the junk bond hostile takeover frenzy associated with white-collar crooks such as Ivan Boesky and Michael Milken.

By the time that Volcker passed the wizard's baton to Greenspan in 1987, the disintegration process was racing ahead. Following the October 1987 Black Monday stock market crash, the globalizers resorted to new and even more exotic forms of speculation: derivatives. We have reached the point, today, where the total paper value of financial aggregates is more than \$300 trillion, while the actual worldwide GDP is approximately \$41 trillion. LaRouche has called characterized this as a *typical collapse function*, whereby the more speculative paper is generated, the more the physical economy disintegrates, until finally a blowout occurs. (If the U.S. economy is undergoing a typical collapse function, that makes Greenspan the typical collapse functionary.)

Indeed, under his tenure at the Fed, Greenspan has helped create the biggest bubble in history, fuelled by frequent infusions of Fed funny-money — as in the early 1990s Fed takeover/bailout of Citibank; the \$4 billion highly publicized bailout of Long Term Capital Management in October 1998; the secret bailout of the Tiger Fund in June of this year, at an estimated cost to Group of Eight nations' taxpayers of more than \$30 billion; and the ongoing bailout of J.P. Morgan, Chase Manhattan, and other "too big to crash" financial institutions, caught short in the "gold carry trade."

Despite his track record of murder and mayhem, a vast majority of your elected representatives are hankering for President Clinton to reappoint Greenspan to another term as Fed chairman. Before you buy into this insanity, read on, for a detailed account of the ugly truth about Alan Greenspan.