

Editorial

The Last Chairman

“You will be the last chairman of an independent central bank in the United States,” prophesied LaRouche advisor Jonathan Tennenbaum on Jan. 14, as he confronted Federal Reserve Chairman Alan Greenspan during an event at Berlin, Germany’s Historical Museum. “What do you say about that?”

Instead of answering the question, the incoherent Greenspan blathered on at some length about the “extraordinary” role which the financial side-bets called derivatives have played in defusing the financial system, and about the necessity of deregulation in preventing “a very major collapse in banking.” To Tennenbaum’s demand that he prove that the world is not in the midst of the greatest financial bubble in modern history, Greenspan demurred. He and his experts have decided that there is no real estate bubble (!), and that the likelihood of some massive financial bubble blowing up in our faces, is “extraordinarily unlikely to happen.”

At other times, the Fed Chairman would have felt he could have dismissed a detailed question from a declared LaRouche representative, especially one who announced that LaRouche had pledged to put an end to the system of independent central banking, which Greenspan represents. Instead, he felt compelled to answer it at great, if unsatisfactory, length.

It should not be surprising as to why this is the case. For one thing, as Greenspan said to Tennenbaum on the question of the existence of the bubble, “you are not the only one who says that.” That’s quite an understatement. As we report elsewhere in this issue, there is a veritable chorus of Establishment figures coming forward to warn about an impending catastrophe on the financial front, due to the hyperinflationary policies of the Fed Chairman. These figures are far from happy about Greenspan’s attempt to further pump up the bubble, in order to try to save the behinds of those who created the disaster that nearly destroyed the world financial system in the late 1990s. Greenspan feels their pressure, but he is sticking to his approach.

Nor is the opposition to Greenspan’s approach simply a matter of voicing opinions. The Chairman has felt

compelled to point out on numerous occasions lately, that he sees the threat of a rising tide of “protectionism,” coming from governments around the world. Another word for “protectionism” would be re-regulation, and indeed this perspective is being adopted, or is under serious discussion, throughout the nations of Eurasia. At the same time, Brazil and Argentina are refusing to kow-tow to the International Monetary Fund-Fed demands for more measures of deregulation and free trade, which would open additional looting grounds for the international financial institutions which are desperate to keep from having to acknowledge their bankruptcy.

Ultimately, Greenspan thinks he holds the trump card, given the fact that the world financial system depends entirely upon the dollar which his policies control. But, should nations adopt the LaRouche approach, and actually move to establish new national banking systems, and agreements among them in the tradition of Franklin D. Roosevelt’s Bretton Woods, Greenspan’s power disappears. It is only the reluctance of other nations to call Greenspan’s bluff, and set up a new global monetary system, that keeps his system intact.

Yet, there are unmistakable signs that nations are moving in that direction. The bankruptcy of the IMF, and all the industrialized nations, is leading to increasingly crazy schemes, and is going to result, almost certainly within the coming year, in a financial shock. Such a shock, be it through the total collapse of the dollar, or a hyperinflationary explosion in the United States, or the actual freezing-up of the world banking system, will drive nations to move toward LaRouche’s alternative, strictly as a matter of survival.

Under LaRouche’s system, the predatory independent central banking system will once more be scrapped, in the interest of governments taking control of their own credit systems, for the sake of guaranteeing their nations’ future. In LaRouche’s view, when it comes to a question of the bankers versus the population, it is the bankers who have to be sacrificed.

At that point, Chairman Greenspan won’t be able to talk his way into keeping his job.