Helga Zepp-LaRouche: Given the fact that I'm a German citizen, I just want to add, why it is in the fundamental self-interest of Germany to cooperate, not only with Russia, but with all the countries of the Eurasian Land-Bridge. The situation of the German economy and financial system, is not less dramatic than that described by Mr. Glazyev for Russia, or by Mr. LaRouche for the whole world. The de facto bankruptcy of the capital of Berlin, and the bankruptcy of Berliner Bankgesellschaft and the five banks involved, is actually the condition of every German bank. Right now, the inflation rate in Germany is 3.6%, according to the Federal Constitutional Court. For the euro transition, inflation can only be 3%.

So, we may see, very soon, constitutional actions to prevent the euro from coming into being. Especially because, there is, behind the scenes, panic in government and financial circles, about the fact that there are about 200 billion d-marks in cash, in addition to the several hundred billion d-marks in the central banks, which expectedly leads to total chaos in the transformation. So, Germany will be hit in the second, third, and fourth quarter of this year, with a combination of an increasing tendency of hyperinflation, depression, and chaos in the euro transition.

So, in this chaos, the euro may not come into being, which for the survival of Germany and Western Europe would be the best thing to occur. To maintain sovereign national currencies, in the context of economic cooperation of the Eurasian Land-Bridge, this serves the best interests not only of Germany, but of every European country.

Germany is dependent economically, on expanding export markets to ever-richer customers. Globalization has destroyed the traditional export markets of Germany: Africa is dying; Latin America is about to go the way of Africa; and many areas of the world are plunging into catastrophe. In the German interest, the collaboration of Germany with Eurasia, with the development of the Eurasian Land-Bridge, is an economic self-interest.

On a deeper level, it is in the security interest of Germany, because we in Germany remember very well, the connection between depression and war. If the existing plans in 1931 to overcome the depression, which existed in Germany around Dr. Walter Lautenbach and the Friedrich List Society, would have been implemented, the coming to power of the National Socialists could have been prevented.

Today, the danger of war exists in many places, in the Middle East, in Africa, in many other regions of the world, and I think it requires, today, the vision of all the countries of Eurasia, together, to determine a peaceful order, or future, and not the degeneration into war.

So, I'm preparing every positive force in Germany, and other European countries, to become part of such an alliance for a new financial system, and the Eurasian Land-Bridge, as the cornerstone for a global reconstruction program, in the next months to come. Thank you.

Another Greenspan Rate Cut, Another Disaster

by Richard Freeman

The Federal Reserve Board of Governors' June 27 quarter-point drop of the Federal funds and discount interest rates, to 3.75% and 3.25% respectively—the sixth cut this year—continued Chairman Alan Greespan's mad flight forward to maintain the valuations of financial assets, by flooding the speculative financial bubble with money. The discount rate is now at a seven-year low.

Yet, the reaction to the rate cut, both from financial commentators from policy-makers, and from the real world, shows that Greenspan's circus-like image as the wizard of the markets, or the maestro who orchestrates the ascension of the economy, is shattered.

On June 26, Martin Mayer, author of several books on banking, wrote a piece on the *Wall Street Journal*'s editorial page entitled "The Fed's Faded Glory." Mayer's conclusion: "Looking at monetary policy and what it does, Mr. Greenspan must now consider whether the benefit of pushing the stock market up a little [through cutting interest rates] is worth the growing risk that this time the Fed will be fueling inflation." On the day after the Federal Open Market Committee rate cut, a commentator in the Swiss financial daily *Neue Zürcher Zeitung* wrote that, since the previous rate cuts have had absolutely no effect, Greenspan now risks widening the huge imbalances in the U.S. economy.

Up until the second quarter of 2000, the Fed and Greenspan would only have to make some adjustment with interest rates, and the economy and financial markets would seem to spring back to life (although on a deeper level, the fundamental problems grew worse). But beginning Jan. 3 of this year, Greenspan has executed five rate cuts of half-a-percentage point each, and then came the June 27 cut: all in all, a 2.75% cut in interest rates in less than six months—a very strong dose of monetarist medicine indeed. And what has that accomplished? The economy is plunging downward, the Nasdaq stock market has collapsed, and the world monetary system has inched closer toward disintegration.

However, beyond that, as economist and 2004 Democratic Presidential pre-candidate Lyndon LaRouche points out, Greenspan's flooding the system with money to hold up the bloated mass of financial instruments, is generating a hyperinflation like that of 1923 Weimar Germany.

The legacy of the Greenspan policy is not just failure, but catastrophe. The collapse of the U.S. physical economy, from