

ANGELIDES REPORT BECOMING WORLDWIDE BESTSELLER

## The Historic Opportunity Of 2011!

by Helga Zepp-LaRouche

*Zepp-LaRouche, Chairwoman of the Civil Rights Solidarity Movement (BüSo), issued this statement on Feb. 11. It has been translated from German.*

An unprecedented drama is currently unfolding on the world stage: The Egyptian people are freeing themselves from a dictatorship, in a process comparable to the fall of the Wall in Germany in 1989. The global financial system's situation resembles a minefield, where the tiniest false step can detonate a chain reaction, leading to the complete disintegration of the financial and banking sector, similar to the collapse in the 14th Century. Meanwhile, the International Monetary Fund's internal watchdog agency has admitted that institution's utter failure, while more and more people around the world are recognizing the historic significance of the Angelides Report (a.k.a., the Financial Crisis Inquiry Commission), as the first responsible institutional reaction to the greatest financial crisis in human history. Mubarak's resignation, and the dramatic developments in Egypt, are altogether paradigmatic of the fact that the system of globalization has been a miserable failure.

Developments in Egypt, along with the Angelides Report in the United States, provide a glimmer of hope that it might still be possible to pull humanity back from the edge of the abyss!

Even though it certainly wasn't their intention to do so, Greenspan and Bernanke, with their inflationary

bailout packages, and IMF director Strauss-Kahn, with his infamous conditionalities, have in fact contributed to these positive events in Egypt!

The Independent Evaluation Office (IEO)'s finding that the IMF's policy literally abounds with errors in judgment based on wrong premises, is not limited to judgments and prescriptions in the domain of the global financial crisis (see article in *Economics*). It is especially the IMF's policies toward the developing countries which have resulted in disaster. And one of the reasons why, after Mubarak has been in office for 30 years, the West suddenly realized, only three weeks ago, that he is a "dictator," lies in the fact that, throughout the past decades, Mubarak has been implementing the entire program which the IMF has prescribed to him. This included the devaluation of Egypt's currency, and the systematic privatization of state-owned and public firms and institutions; the IMF even gave him a quota of privatizations which he had to meet. And the new bosses who came in, didn't flinch in ordering layoffs, which ultimately led to Egypt's 30% unemployment rate, and growing impoverishment.

### **Youth Adrift; No Great Projects**

The IMF forced Egypt to tear down agricultural tariffs, and to export fruits, vegetables, and cotton, to earn foreign currency, thus rendering the country unable to produce for its own domestic needs. It was denied credit



*“The Egyptian people are freeing themselves from a dictatorship,” Zepp-LaRouche writes, in a process comparable to the fall of the Berlin Wall in 1989. Right: Berlin, November 1989; above: Cairo, January 2011.*

for infrastructure, energy, and industry; tourism was encouraged, instead. Until two months ago, the Mubarak regime was determined to put through a second phase of the IMF’s program. This has left the youth adrift, uninspired by even a single great project. For 30 years, no one has set forth a national dream promising a better future. Under Mubarak’s aegis, Egypt ignored its African neighbors.

There are grounds for hope that the Egyptian people don’t just want to be rid of Mubarak, but that the majority want to replace every aspect of every policy having to do with him and the IMF, with a true reconstruction perspective. Egypt is not just a country of Asia and Africa, it is also the cradle of European culture; and if it succeeds in doing that, it will be an inspiration for the entire African continent, and for the entire Arab world.

Europe must assist Egypt in truly building up the country’s economy. Such projects as the construction of new satellite cities to relieve the pressure on Cairo, the expansion of arable land through irrigation projects all the way to the Qattara Depression, the building of modern infrastructure, energy production with high energy-flux densities, and modern industry, must be put on the agenda immediately; and they must be supplied with adequate credit. And most importantly, everything even remotely related to the IMF, must be junked.

Because, as remarkable as the IEO’s admission is about the IMF’s false methodology, the prospects that this institution can be reformed, are just that dim. Its directors and associates are an army of monetarists, inculcated with neoliberal ideology, who have proven themselves unable even to master the fingerboard of globalization, and they don’t have the slightest inkling about physical economy. Though perhaps there might be some hope for the IMF, if its current personnel were completely replaced by innovative industrial entrepreneurs, scientists, and old-school savings bank managers.

The financial media are also completely off the mark with their comments on the Angelides Report, predicting that it will have no effect. For, only ten days after its release, this report, which unflinchingly reveals the history of the past 30 years, uncovering the causes of the worst crisis in the history of financial markets, has already become a best-seller in the United States, and is well on its way to becoming so in many other countries. Every professor or student who takes himself or herself seriously, and every politician who wants to hold onto his or her job, is now busily studying this report—more gripping than any “Tatort” show<sup>1</sup>—on the people behind the financial crisis.

1. “Tatort” (Crime Scene) is the longest-running crime series on German TV.

## Germany Needs an Angelides Commission

This report is must reading for anyone whose livelihood has been ruined or damaged as a consequence of the revocation of the Glass-Steagall standard and the resulting deregulation of the financial sector. And likewise, for all those who may still be relatively well off, but who recognize, intellectually and morally, that the deregulated system of globalization is not only endangering the lives of millions of human beings, but is also a threat to the very fabric of our as yet only partly free society.

Every single member of our Federal parliament and state assemblies will now have to be measured by their attitude toward the Angelides Report, because while this 600-page document mercilessly presents the bankers' and hedge funds' criminal machinations, an equivalent commission is completely lacking here in Germany, or in any other European state. This is why, two years ago, the BüSo initiated a campaign calling for convening a Pecora Commission here, in order to uncover criminal activities in connection with the financial crisis. But the only response from our representatives in parliament, was that there were not sufficient grounds for suspicion!

All German citizens should arm themselves with this report, which will soon be available in German, under the title *Der FCIC-Bericht*. Then, they should visit their Federal and state representatives, their mayor, city councilmen, and county board members, and demand that the findings in this report be applied to the situation here as well. Heads of small and medium-sized industrial firms, and hundreds of towns and county governments, have already filed legal complaints against certain banks which had sold them on interest-rate bets, in the full knowledge that their clients would be the losers, all the while drumming it into their associates that this was the only way to skim money from clients.

And so, instead of squabbling over ridiculous details of the Hartz IV unemployment law, we should get completely rid of this inhuman law, which, after all, is simply a result of the same financial practices as the Angelides Report denounces. And, if all the measures made necessary by the deregulation of the financial markets are rescinded—i.e., if the Glass-Steagall standard is reintroduced, and commercial banks are once again permitted to issue credit for productive full employment—then Hartz IV will become irrelevant.

## Price Controls on Foodstuffs

We must act quickly, because within weeks, we could have a domino effect of state bankruptcies in the Eurozone. The Irish government has postponed a payment of EU10 billion to the Irish banks, pending the outcome of the new elections set for Feb. 25, and we can foresee that the next government will refuse to honor Ireland's suicidal agreement with the troika of the European Commission, the European Central Bank (ECB), and the IMF. Portugal won't be able to continue much longer paying its current 7% interest on its government paper; and if Portugal goes down, it will bring Spain down along with it.

Axel Weber's spectacular resignation from the Bundesbank, and his candidacy to succeed Jean-Claude Trichet as chairman of the ECB, along with the warning from the ECB's chief economist Jürgen Stark about the danger of a new storm of mega-bailouts, are unmistakable alarm bells, indicating that at least some people have recognized the danger of a hyperinflationary catastrophe.

The *punctum saliens*, though, is this: Why should we continue, even one single day after the publication of the Angelides Report, to pursue this unwholesome policy of bailing out Europe's insolvent states—a practice which can only result in the German taxpayer being asked to cough up still more, thereby further fanning the flames of hyperinflation?

We must proceed from the assumption that as a result of the massive drought in China's northeast, along with the unbridled speculation in raw agricultural products, inflation of food prices is in danger of growing considerably worse. Since such a development would lead to hunger revolts in 80 countries—as the UN has warned—and since this would also affect any new governing combination in Egypt, it is urgent that certain measures be taken.

The BüSo is, therefore, calling for the immediate imposition of price controls on food, worldwide.

Prices must be frozen at low levels, until such time as the productive sector of the economy once again becomes dominant, by means of a general reform of the world financial system, through a two-tiered banking system, and the revival of the real economy with projects such as the Worldwide Land-Bridge.

Join the BüSo's mobilization! What's at stake, is the survival of Germany, and of all civilization in the form which, up to now, we have taken for granted.

Take heart! We can win!