

# G20 Demands Global Weimar; LaRouche Has Only Alternative

by Helga Zepp-LaRouche

Sept. 24—On the eve of the annual IMV-World Bank meetings in Washington Sept. 23-25, leaders of the Group of 20 (G20) member-nations felt the need to issue a communiqué assuring the world that they would take “all measures required” to preserve the stability of banking systems and financial markets. In other words, the central banks, faced once again with the immediate danger of a meltdown of the international financial system, will open the monetary floodgates, whatever the cost, even if it means worldwide hyperinflation.

That makes it clear, unfortunately, that the G20 countries have not only proven themselves totally incapable, over the past three years, of defending the common good against financial interests, but they have learned nothing from the mistakes of the Reichsbank in Weimar Germany in 1923, or from the money-printing policy dictated by the Versailles Treaty. Compared to the hyperinflation they are about to set off, that of the Reichsbank in 1923 is “peanuts.” This time, the printing presses are not running full tilt only in one country, and don’t even require paper, being electronic. The disaster this spells for mankind will far surpass the horrendous experiences of the German population in 1923, because such hyperinflation will quickly spread beyond the trans-Atlantic region to the rest of the world—with unforeseeable political, economic, and social consequences.

In this highly dramatic situation, Lyndon LaRouche issued a call from Washington for an immediate end to the policy of bailing out the bankrupt banks and the gambling debts of speculators, for initiating an impeachment process against President Obama for violations of the Constitution, and for the immediate adoption of a Glass-Steagall Act as a first step toward overcoming the crisis, followed by implementation of the whole package of measures that he has long proposed: a credit system to finance economic reconstruction around the North American Water and Power Alliance (NAWAPA), as prelude to the reconstruction of the world economy, and the immediate creation of a New Bretton Woods system, to be launched by the U.S., Russia, and China. In this context, the announcement that Russian Prime Minister Vladimir Putin and President Dmitri Medvedev will exchange their positions in the coming electoral period is excellent news, which also opens promising perspectives for a policy change in Germany.

Between these two alternatives, a fight is raging that will determine the future of civilization for at least the next several generations: should the virtual financial claims of the profiteers of high risk speculation be honored to the bitter end, through increasingly gigantic bailouts, at the expense of the living standards and, ultimately, the life expectancies of billions of people on this Earth, or should the banks turn once again to serv-

ing industry, agriculture, and trade? The answer should be obvious to anyone with common sense.

### The Crisis in the Eurozone

It is an outright scandal that the same hyperinflationary scheme that U.S. Treasury Secretary Tim Geithner presented on Sept. 16 to the EU Finance Ministers' summit in Wroclaw, Poland, and which the latter rejected because of its obvious hyperinflationary effect, was again brought up in slightly different versions at the G20 meeting and the subsequent annual conference of the IMF and the World Bank in Washington. That scheme involved leveraging the EU440 billion capital of the European Financial Stability Facility (EFSF) by a factor of 10, bringing it to EU4.4 trillion, along the lines of the Term Asset-Backed Securities Loan Facility (TALF) program of the Federal Reserve. For Olli Rehn, EU Commissioner for Economic and Financial Affairs, Geithner's role in the latest discussions was "most constructive." On his suggestion, Eurozone leaders are now scrutinizing the role of the Fed in the reaction to the financial crisis in the United States.

In fact, Geithner's proposal comes down to transforming the European Central Bank into a European Federal Reserve, with the power to print unlimited amounts of money. Thus, when insolvency crises erupt in Greece, Portugal, Ireland, Spain, or Italy, or in banks that are considered "too big to fail," the ECB could release a flood of new money. "Geithner is right. You have to hit the problem on the head with a sledgehammer," according to one unnamed Asian official quoted in the *Washington Post*. British Chancellor of the Exchequer George Osborne was also quoted: "What is required is a sense that there is enough government and central bank firepower" to guarantee that banks and governments in the region will not fail. "It is fairly clear that patience has been running out in the international community," said the British minister, in a decidedly threatening tone.



*Weimar hyperinflation: This illustration for a periodical in Weimar Germany shows Johannes Gutenberg, the inventor of the printing press, stricken with amazement: "I didn't want this!" And he didn't have e-banking.*

### Bankrupt Policies, Terror Tactics

The competing proposals—whether to establish the European Stability Mechanism (ESM) as a permanent bailout mechanism, or to create leverage with a well-funded EFSF or eurobonds; whether to transform the EU into a European economic government or a United States of Europe—all these recipes are ultimately just variants of the same basic concept: giving an intravenous infusion of hyperinflationary liquidity creation to the hopelessly bankrupt financial system, to keep it going at least for a few more days or weeks. November 1923 salutes you!

The various lobbyists for the banks and certain media are currently waging a veritable propaganda war against the population, to get them to accept his policy. Horror scenarios are being bandied about, about how expensive it would be for the taxpayers to leave the euro and return to the D-mark. Mega-speculator George Soros, of all people, is threatening a fiscal worst-case sce-

nario if the European countries are not willing to agree to a new European treaty (which of course would sacrifice the last semblance of sovereignty to an EU dictatorship). And U.S. “economist” Kenneth Rogoff is issuing threats about a run on the European banks.

Rogoff’s remedy is as outrageous as it is brutal. In an interview with the financial newspaper *Bursenzeitung*, he said: “Germany has to put a rescue umbrella over the state debt of Spain and Italy, possibly also France.” In return, the fiscal system in Europe must be completely restructured, with strict discipline and rules [i.e., murderous austerity policies—HZL]. “However, what remains of the Eurozone will only survive if Germany provides a guarantee”—i.e., unlimited liquidity. “Of course, the present Constitution [sic] of the eurozone makes it difficult to take on these reforms, because many decisions require unanimity. But if that is the problem, then the Constitution should be changed.”

Outdoing even his own audacity, Rogoff then lied that a German withdrawal from the euro would mean unbearable costs. In fact, these costs would be relatively small, in comparison to his criminal idea that the German taxpayer, and thus the entire German population, should be the cash cow for the bankrupt casino economy.

Unfortunately, all indications are that Chancellor Angela Merkel and Finance Minister Wolfgang Schäuble are currently, behind the scenes, trying to do everything to lay the groundwork for completely surrendering the last vestige of sovereignty and proceeding with the early establishment of a European supranational government. Because of certain features of election law in Germany, which the parliamentary parties have failed to redraft for opportunistic reasons, the termination of the black-yellow coalition in favor of a Grand Coalition with the pro-EU Social Democrats, is supposed to provide the maneuvering room for such a change.<sup>1</sup>

## How To Fight Back

There can be only one answer to this: The Constitutional Court in Karlsruhe, in its verdict on the Lisbon Treaty in June 2009, clearly established which sover-

1. The German Constitutional Court ruled in June 2008 that the election law was unconstitutional, and had to be reworked by parliament by the end of June 2011. This was not done, and the Court stated that Germany *does not have a valid election law at the present time*—part of a profound constitutional crisis. The currently ruling “black-yellow” coalition refers to the Christian Union parties and the Free Democratic Party.—ed.

ign rights and principles of Germany’s Basic Law (constitution) must not be ceded to Brussels. Each step also requires a referendum under Article 146 of the Basic Law. And precisely such a referendum on the future of Germany must therefore be immediately on the agenda.

For there is a very obvious and realistic alternative to the hyperinflationary madness which is being demanded by the international financial oligarchy, and which for Germany would amount to a suicide pact.

In the United States, the Obama Administration is currently seeking, by all means, but with no prospect of success, to suppress the growing national movement for the reinstatement of the Glass-Steagall, two-tier banking law, while the number of scandals and constitutional violations is increasing that could lead to Obama’s impeachment.

In Russia, the prospect of a new Putin Presidency opens up a whole range of policy options, from the construction of the tunnel under the Bering Strait, to the industrial development of Russia’s Far East and Arctic region, the acceleration of manned space flight in cooperation with China, and an emphasis on basic research into new physical principles. And the Chinese leadership has not the slightest interest in becoming the rescuer of the bankrupt U.S. and European banks, but certainly is interested in cooperation with the U.S. and Russia for a policy that can guarantee China’s energy and raw materials security for the next hundred years .

Germany therefore has the choice: Either we bow under the yoke of a political class serving the financial oligarchy, which, moreover, has long conducted secret diplomacy behind the backs of the population, while “the striving for justice,” as the Pope put it in his Bundestag speech Sept. 22, has been abandoned in favor of holding onto their own vile power [referring to the Nazis—ed.], and thereby subjecting us to a state that is nothing more than a “big gang of robbers,” as the Pope aptly quoted St. Augustine.

Or we can decide to ally a sovereign Germany with the growing number of other states that are determined to introduce a two-tier banking system in the tradition of Franklin Roosevelt’s Glass-Steagall Law, the first step toward a reconstruction of the world economy.

Join the growing movement in the world that is fighting for Glass-Steagall, a credit system that serves the people, and a Classical renaissance!