

The Libor Scandal and The European Union

This is an excerpt from an article by Helga Zepp-LaRouche, published in the German weekly Neue Solidaritaet of July 18.

For Europe, the consequences of this largest financial scandal in history are that the European Stability Mechanism (ESM) must be taken off the agenda! The bailout packages have unfortunately only helped the banks and speculators who, along with the Libor scandal, were probably also profiting from money laundering, and using taxpayers' money to speculate shamelessly against the government bonds of the very states that had financed the bailout packages.

Everything that the G-20 states and the EU have done since the outbreak of the financial crisis in July 2007 has proved without a doubt that the governments were being led by the nose by the major banks, which naturally were considered "systemic," or "too big to fail." The only problem is that this system is criminal, through and through. . . .

The ESM Directorate is supposed to be appointed by the EU finance ministers and to enjoy lifelong immunity. The finance ministers, the European Central

Bank, and the European Commission in recent years were either incompetent and could not grasp the fact that a gigantic fraud was taking place under their noses, or they knew about it and turned a blind eye, thinking of their own advantage. In either case it would be gross negligence. The ESM's Directorate will be able to grab funds from national budgets at any time and speculate with the money on the primary and secondary money markets, creating a lawless playground for the members of a clique, whose trademark is their lack of any feeling of guilt.

In the aftermath of the Libor scandal, anyone who continues to support the ESM is guilty of high treason to the people and the general welfare!

Therefore a two-tier banking system must be immediately formed on the European continent, which renounces the EU treaties from Maastricht to Lisbon, and sets into motion a return to sovereign control of the currency and of economic policies.

There is life after the euro! We need the introduction of a new D-mark, and the creation of a credit system in the tradition of the Kreditanstalt für Wiederaufbau [Reconstruction Finance Agency] after the Second World War, but this time for the reconstruction program for Southern Europe, the Mediterranean, and Africa, as we have proposed. And there will also be an international Pecora Commission, though in the modified form of criminal proceedings by state prosecutors.