

ON THE BRINK OF NUCLEAR WAR

Only a Global Peace Plan Can End Crisis in Europe

by Helga Zepp-LaRouche

Feb. 9—If the last-minute diplomacy of German Chancellor Angela Merkel, French President François Hollande, and Russian President Vladimir Putin leads to a realistic chance of achieving a peace plan for Ukraine, this is probably the last opportunity to correct the systemic error of trans-Atlantic policy, which has led the world to the brink of World War III and systemic financial collapse. But nothing can be done with compromises based on the least common denominator and partial solutions: World peace can only be achieved if the West's geostrategic policy of confrontation with Russia and China is replaced by a completely new paradigm. Europe and the U.S. must accept the offer of Chinese President Xi Jinping and cooperate with the BRICS countries in a new, just world economic order.

Apparently anticipating the imminent delivery of heavy weapons from the U.S. to Ukraine, and thus the acute danger of a military escalation to war in Europe, Hollande and Merkel took the initiative with their journey to Kiev and Moscow Feb. 5-6. According to media reports, they first informed U.S. Secretary of State John Kerry on the evening before. In reality, the threat was not only of a war in Europe: The fuse to global nuclear war had burned nearly to the end.

If negotiations among Putin, Ukrainian President Petro Poroshenko, Merkel, and Hollande, still ongoing, manage to reach agreement on a variant of the peace plan that Putin had submitted in mid-January—more autonomy for the areas in eastern Ukraine held by anti-

Kiev militias, more safeguards for the Russian language and culture in this region, possibly partial recognition of territorial gains that the militias have made since the conclusion of the Minsk Agreement in September 2014, as in the original Minsk arrangements—then the immediate escalation to the potential annihilation of mankind would at least be interrupted. But the danger of war would by no means have been overcome.

Russian State Duma Speaker Sergei Naryshkin warned recently, at a conference on the 70th anniversary of the Yalta Conference in 1945, that the West continuously refuses to consider the consequences of the missile defense shield which surrounds Russia: “Only a blind man can ignore the threat of the missile defense system, NATO's eastward expansion, and the series of U.S. military interventions that bypassed the UN Security Council,” Naryshkin said. In response to these threats, Russia has elevated the readiness status of its strategic nuclear missiles and mobile installations in six regions.

Conflict Over Greece

Although Merkel and Hollande are trying to pull the emergency brake at the last minute in Ukraine (whether this will be successful is still uncertain at press time), when it comes to the confrontation with the new Greek government, it's a different story. The European Central Bank (ECB), the Bundesbank, Merkel, and German Finance Minister Wolfgang Schäuble are reacting more



Russian Presidential Press and Information Office

German Chancellor Angela Merkel, Russian President Vladimir Putin, and French President François Hollande meet in Moscow, Feb. 6, 2015, in a last-ditch attempt to find a peace solution for Ukraine.

like the notorious hardline blockheads in the last days of the GDR [communist East Germany—ed.]. For they will neither discuss a debt haircut, nor a debt conference as was held for Germany in London 1953.

The ECB has even pressed toward confrontation with its decision not to accept Greek government bonds any longer as collateral for loans, and to direct the country instead to take the more expensive emergency loans. European principles and agreements must be complied with, insists Schäuble, even if that arrogance and intransigence accelerates the demise of the euro.

However, these same principles and agreements are the problem. For it was the austerity policy of the Troika [ECB, European Commission, IMF] which made economic recovery impossible in Greece, destroyed a third of the Greek economy, and plunged the population into despair. From the outset, I warned that this austerity, in the tradition of Weimar Germany's Chancellor Heinrich Brüning, could not work, and as early as February 2008, shortly after the signing of the EU's Treaty of Lisbon, I warned that the ratification of this treaty would mean the signing of a second Versailles Treaty—and indeed for the whole of Europe. No one should forget that the first Treaty of Versailles, in 1919, was the root of the Second World War.

Greek Finance Minister Yanis Varoufakis stressed

in an interview with *Die Zeit* that much suffering could have been prevented back then if they had broken off the Treaty of Versailles, and that in Greece today, the Nazi party "Golden Dawn" has already become the third strongest party in the country in response to the prescribed austerity.

But the blockheads' tunnel vision was directed only to the interests of the banking sector—and it was solely for the sake of the banks that the austerity was imposed. This plunged the whole of Southern Europe into misery, as well as the "rescue packages" which benefited not the Greeks, but the European banks. As a result, in Europe and many other parts of the world, people now have an image of the brutal Germans, whose medicine has poisoned the Southern

Europeans, and who are too mean-spirited now to give the Greeks the same opportunity that the U.S. gave to Germany after the Second World War.

Without the Marshall Plan and the Debt Conference of 1953, which halved Germany's total debt and tied its payment to export surpluses, Germany would have never developed from a rubble field to the country of the German economic miracle, admired throughout the world.

In response to the bank's policy and Schäuble's hard line, tens of thousands of people immediately took to the streets in several Greek cities, in support of the new Tsipras government. In Madrid, 300,000 people had demonstrated on the previous Saturday. If the EU, ECB, and the German government stick to their uncompromising attitude, the euro threatens to collapse in a chaotic manner. The demonstrated heartlessness of the Schäubles of this world can only worsen the social disaster; they apparently did not grasp the historical processes that are in play.

Take Up China's Offer

There is a solution, but it requires determined action by the thinking part of the European population. President Xi Jinping's offer remains on the table, that the U.S. and other major countries—e.g., Germany, France,

Italy—together with the BRICS countries [Brazil, Russia, India, China, South Africa], should build the New Silk Road and create new credit institutions such as the Asian Infrastructure Investment Bank (AIIB), the BRICS New Development Bank (NDB), and other banks that will be focused only on financing the real economy. With this offer, the contours of a new order of peace for the 21st Century are clearly in sight.

There is a package of measures that would bring the world back from the abyss, and lead it, on the basis of tested and proven examples, into a new era of international cooperation:

First, an immediate debt conference must be held, as in 1953—not only for Greece, but for all the European, or even better, trans-Atlantic debts, because it is not only Greece that cannot repay its debts; rather, it is much more the “Too-Big-To-Fail” banks which are hopelessly bankrupt in the U.S. and Europe, with outstanding derivative contracts which account for more than 20 times the gross domestic product of the whole world.

The first step taken by such a conference must be the introduction of a two-tier banking system in the tradition of Franklin Roosevelt’s Glass-Steagall Act, which places the commercial banks under state protection,

and compels the investment banks to get along without so-called rescue packages, without so-called “quantitative easing” (money-printing), without access to the accounts of commercial banks, and, where appropriate, declares them insolvent. That is to say, the casino economy must be closed down once and for all.

The second step should be the creation of a credit system based on the principles of Alexander Hamilton’s National Bank, as it was reactivated by others in American history, such as Abraham Lincoln, and Franklin Roosevelt with his Reconstruction Finance Corporation (which was the basis for the creation of the Kreditanstalt für Wiederaufbau in Germany after the Second World War, without which there would never have been a German economic miracle).

Third, this new credit system can be the basis for cooperation with the new banks in the BRICS countries. The extensive projects that have already been decided upon by the BRICS and the countries of Latin America, Asia, and Africa—the development of infrastructure, energy, water management, scientific cooperation, space, etc.—offer the prospect of economic growth for many decades into the future, a real “win-win” policy for all participating states, as Xi Jinping

There Is Life After the Euro!

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has emphasized again and again.

Fourth, the Marshall Plan proposal that [EIR](#) published in 2012 under the title “An Economic Miracle for the Mediterranean and Southern Europe” can be placed on the agenda in this context. It can become a natural extension of the Eurasian Land-Bridge over multiple routes, with an infrastructure network in Africa.

Thus, there is a way out of the existential crisis, based on already proven concepts, and it is already being implemented by a large group of nations, which together constitute more than half of the human species. The Schiller Institute has launched an international campaign to make this option of the cooperation with the BRICS countries for a new, just world economic order known all over the world—because it is virtually unknown now, due to the controlled mainstream media—and to mobilize the greatest number of supporters and activists for this. A petition to this effect has been signed by several thousand people, including more than 300 major institutional representatives.

This resolution and the names of prominent signatories can be found at SchillerInstitute.org.

Translated from German by Daniel Platt.