

This Crisis Is No Act of Nature— It's the Result of Bad Policy

by Helga Zepp-LaRouche, chair of the German political party Civil Rights Movement Solidarity (BueSo) and founder of the Schiller Institutes

The BueSo chairwoman presented the following video message for the New Year on the [party's website](#) on Jan. 1, 2016.

Dear Fellow Citizens!

Let me begin by wishing you a good and peaceful New Year!

But whether it turns out that way very much depends upon all of us. Many people sense that we are now in an existential crisis for civilization. This crisis, however, is not a natural phenomenon, but rather the result of bad policy; which means we can change the situation.

Today, January 1, 2016, a new law goes into effect throughout the European Union—the so-called “bail-in” law. This is the Cyprus Model, which the head of the Euro Group, Joeren Dijsselbloem, in March of 2013 demanded be applied to all of Europe: namely, that bank customers and creditors share in the costs of banks’ bankruptcies. This policy was carried out in Cyprus at the time, and then in Spain, and recently in Portugal and Italy. The “bail-in” law signifies that in the case of banks’ insolvencies, the depositors and stockholders have their funds expropriated to recapitalize banks which really should be closed. This is thievery, plain and simple.

After the financial crash of 2008, the governments of the G20 nations did absolutely nothing to shut down the casino economy, but rather pumped trillions of dollars (in the double digits) into the trans-Atlantic system through the so-called bailout. This converted private gambling debts into state indebtedness.

Today the “too big to fail” banks—which are allegedly too big to be allowed to fail—are around 40% larger than they were in 2008, and a new financial crash



BueSo

Helga Zepp-LaRouche addressing German citizens by video on Jan. 1, 2016.

is already underway; hedge funds and banks have already gone bankrupt; a wave of insolvency is in store especially for companies involved in shale gas and oil, which will unleash a meltdown of the outstanding derivatives contracts.

Allegedly, bank deposits of up to 100,000 euros are secure under the “bail-in” law. But in the case of only four bankrupt regional banks in Italy, the resources of the Italian deposit insurance funds were insufficient, and thousands of people lost everything, with two retirees committing suicide as a result. If this provision is applied throughout the rest of Europe and the United States—where it already exists in the so-called Dodd-Frank bill—there will be mass death hitting, above all, the poor, old, and sick.

The problem is that the laws of the EU, as well as those of the U.S. Congress, were decided upon under the diktat of the City of London and Wall Street, which

are only concerned with defending the speculative wealth of those who benefit from the casino economy. The line that “bail-in” is necessary to spare the taxpayers the costs of future financial crises is an open lie. Because along with the “cost-sharing”—that is, the expropriation of the banks’ creditors—it is planned to resort to “bail-outs” again: that is, ultimately the commitment of state funds, in order to save the holders of the derivative contracts. Nevertheless, even the combination of “bail-in” and “bail-out” will not suffice to “save” the outstanding derivatives of approximately two trillion euros, because the latter are greater by orders of magnitude than the monies that can be used to save them.

Leading politicians and EU bureaucrats, such as German Economics Minister Wolfgang Schäuble, European Central Bank head Mario Draghi, President of the European Commission Jean-Claude Juncker, and Dijsselbloem, would have us believe that we must accept this logic in order to guarantee the “stability of the markets.” But it’s criminal to insist that people accept something which is tantamount to their committing suicide. In Italy the people affected have realized what this policy means, and there is already a revolt underway against it.

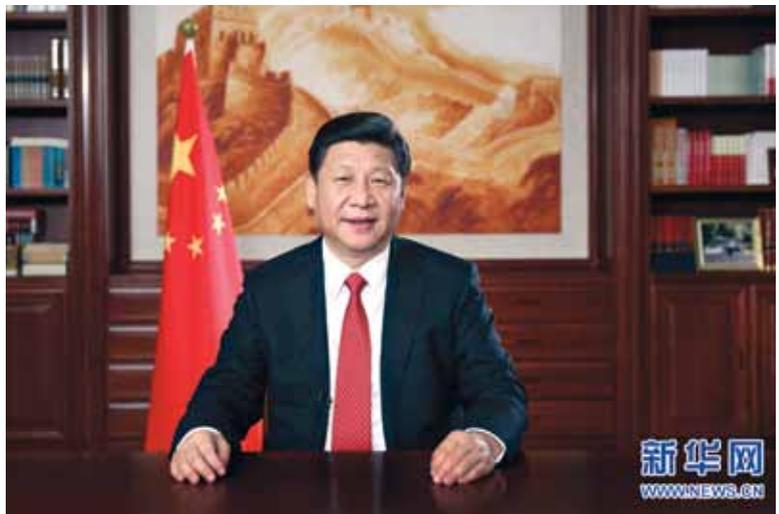
The Solution

There is a solution.

In all the European countries and the United States, we must immediately do what Franklin D. Roosevelt did in 1933 as a solution to the financial crisis at that time: We must institute the Glass-Steagall/banking separation law, which will mean closing down the City of London, Wall Street, and the entire casino section of the trans-Atlantic financial sector. We don’t need gambling which results in mass murder!

In its place, we must create a credit system on the basis of the principles established by Alexander Hamilton, the first Treasury Secretary of the United States. Friedrich List further developed these ideas which, along with those of Abraham Lincoln’s adviser Henry C. Carey, provided the basis for Otto von Bismarck’s industrial revolution. These ideas were also the foundation for FDR’s policies and for the role of the Reconstruction Bank (Kreditanstalt für Wiederaufbau) in the German economic miracle after the Second World War.

There is already a strategic approach to overcome



China Radio International

Chinese President Xi Jinping gives his New Year's address to the nation.

the financial crisis, as well as the refugee crisis: China has presented its New Silk Road program (which already involves some 60 nations), based on a concept of economic cooperation among all nations of the world—a so-called “Win-Win Strategy.” This is to the mutual advantage of all the countries participating in the reconstruction of infrastructure and comprehensive development. This means that the Chinese economic miracle of the last 30 years can be a model for all countries in the world.

The region where this is most urgently needed is obviously Southwest Asia, the entire region from Afghanistan to the Mediterranean, from the Caucasus to the Arabian Sea. Many of these countries have been “bombed back into the Stone Age” on the basis of lies (such as Saddam Hussein’s alleged weapons of mass destruction), and have been reduced to rubble and ashes. We need a reconstruction program for this entire region, which can only be implemented if the concept of the New Silk Road is extended to this region: that is, integrated infrastructure; greening of the deserts through producing massive amounts of fresh water; reconstruction of destroyed cities and building new ones; and setting up industry and agriculture.

This is the only way to abate the flood of refugees, by creating a real prospect of a future for them in the countries from which they are fleeing war, terror, starvation, and poverty.

The cooperation at the Vienna Conference, at which Russia, China, and the United States, among others, are sitting down at one table, is a step in the right direction.

But after the military action, an economic reconstruction plan—a Silk Road Marshall Plan, if you will—must be on the agenda.

China and the BRICS countries are already creating a totally new banking system, to exclusively provide investment for the real economy: the Asian Infrastructure Investment Bank (AIIB), which is open to all countries; the New Development Bank of the BRICS (NDB); the Shanghai Cooperation Organization Bank; the New Silk Road Development Bank; the Maritime Silk Road Development Fund; and the Bank of the South Asian Association for Regional Cooperation—to name only a few.

Once we in Europe and the United States have put into effect the Glass-Steagall banking separation system, we will be able to work with these Asian banks not only in the reconstruction of Southwest Asia, but also to develop the African continent at long last, and thus eliminate another root cause of the refugee crisis.

A New Era for Mankind

This year, 2016, is the year in which we must shift the fate of mankind in a positive direction—and we can do it! We must replace the geopolitics which led to two world wars in the Twentieth Century—and threatens

today to lead to a third, this time thermonuclear world war, and thus the extinction of mankind—with the common aims of mankind. Or, as Chinese President Xi Jinping put it yesterday in his New Year’s Address: “Let us work together to build a community of common destiny of all mankind.”

In Germany we have at our disposal a great treasure-trove which we can bring to this common destiny. That is a renaissance of our Classical culture—from Bach to Beethoven and Brahms, from Lessing and Schiller to von Humboldt, and all the great thinkers whose ideas are required for a new international community, for a new level of evolution of mankind—such as Nicholas of Cusa, Johannes Kepler, Gottfried Leibniz, and Albert Einstein, to name only a few.

The dangers with which we are confronted in 2016 are immense. But if we concentrate on realizing the solutions outlined here—and I would ask you to actively help us to do so—then we will be able to ring in a new era for mankind.

What we need, above all, is an optimistic image of man, which understands man as good and capable of unlimited improvement, as well as a fond love for mankind.

I wish you, and all of us, a happy New Year!

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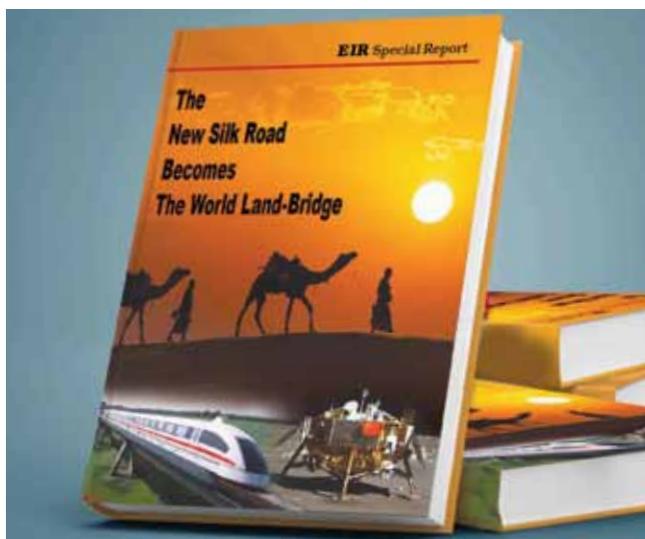
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