

Schiller Instituttet

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Tale af Tom Gillesberg til Schiller Instituttets foretræde for Folketingets Politisk-økonomiske Udvalg den 17. januar 2008.

Kun et nyt Bretton Woods-finanssystem vil løse finanskrisen

Goddag, jeg er Tom Gillesberg, formand for Schiller Instituttet i Danmark.

Tak fordi vi måtte komme.

Det Politisk-Økonomiske Udvalg (2. samling)
PØU alm. del – AD// bilag 8
Offentligt

Vi er her i dag, fordi den kreditkrise verden har oplevet gennem de seneste seks måneder, er del af et sammenbrud af det globale finanssystem. Kun ved at sætte hele finanssystemet under konkursbehandling og etablere et nyt Bretton Woods-systemⁱ kan vi undgå totalt kaos. Folketinget bør derfor arbejde for etableringen af et sådant Bretton Woods-finanssystem og sikre, at de danske myndigheder træffer forholdsregler for at beskytte befolkningen, den fysiske økonomi og vores bank- og finansvæsen.

Den internationale finanskrise

Da den internationale kredit- og finanskrisen brød ud i slutningen af juli, ved at den amerikanske subprimekrise trak tæppet væk under gigantiske internationale finansværdier og begyndte at vælte banker som f.eks. IKB-banken i Tyskland og den britiske Northern Rock, håbede de fleste, at det tyske finanstilsyn BAFIN overdrev, når det kaldte krisen den værste bankkrise siden 1930'erne.

I dag har det vist sig, at det er værre end selv BAFIN frygtede. Vi står ikke med en subprimekrise og nogle uheldige spekulanter, men med et sammenbrud af hele det internationale finanssystem. Systemet er gennemsyret af mange års finansspekulation, som har skabt fiktive papirværdier, der nu må nedskrives med enorme milliardbeløb. De 500 milliarder kroner, som verdens banker hidtil har måttet afskrive på subprimekrisen, vurderer Deutsche Bank bliver til 2.000 milliarder kr. – 33 Kattegatbroer. Samtidig brister nu andre bobler som boligboblen, kreditkortgældsboblen og på et eller andet tidspunkt også den gigantiske derivatboble. Enorme papirværdier går op i røg.

Det vil efterlade en stor del af verdens finansinstitutioner bankerot og er en krise, der i størrelse og dybde overgår den i 30'erne og bringer tankerne hen på det finanssammenbrud i det 14. århundrede, der efter handelshusene Bardis og Peruzzis bankerot, indledte den mørke middelalder. Centralbankers forsøg på at udskyde krisen gennem at sænke renten og tilføre massive mængder likviditet vil blot medføre hyperinflation, som man så det i Weimar-Tyskland i 1923 – men denne gang på global skala.

LaRouche's forslag til et Nyt Bretton Woods-finanssystem

Lyndon LaRouche, økonom og tidligere demokratisk præsidentkandidat, har længe påpeget opbygningen til den nuværende krise. I ånden fra Roosevelts tiltag i 30'erne har han advaret imod finansverdenens ønske om at lade befolkningen betale for krisen gennem en drakonisk nedskæringspolitik og har i stedet foreslået et nyt Bretton Woods-finanssystem, der indebærer en konkursbehandling af det gamle finanssystem og etableringen af et nyt fastkurssystem. Det kan sikre fungerende banker og de langfristede kreditter til fysisk-økonomisk opbygning, der er nødvendige for den fremtidige globale samhandel og vores nationale velfærd.

Som det første skridt i den akutte krise foreslog han i august »Loven til beskyttelse af boligejere og banker af 2007«ⁱⁱ, der kan redde de millioner af amerikanske boligejere, der trues af tvangsauktion, og beskytte de amerikanske banker. Til gengæld kan finansspekulation, hedgefonde og de »kreative« finansinstrumenter gå ned og hjem. LaRouches lovforslag er blevet introduceret i otte delstatskongresser, (yderligere fem er på vej), er vedtaget i 30 amerikanske byer og er allerede begyndt at påvirke det amerikanske præsidentvalg.

Derefter, mener LaRouche, må USA i gang med en New Deal, og sammen med Rusland, Kina, Indien og andre lande etablere det nye Bretton Woods-finanssystem og et internationalt samarbejde om store infrastrukturprojekter, som f.eks. Den eurasiske Landbro og en tunnel under Beringstrædet. Allerede i 2005 vedtog det italienske deputeretkammer at forpligtige regeringen til at arbejde for etableringen af et nyt finanssystemⁱⁱⁱ og i sidste uge publiceredes underskrifter fra 40 franske borgmestre^{iv} – deraf to parlamentsmedlemmer – for et nyt Bretton Woods.

Hvad gør vi i Danmark?

Herhjemme har Schiller Institutet og undertegnede rejst denne debat. Ved valget i november 2005 havde vi sloganet: »Når boblen brister... Et nyt Bretton Woods« og ved det nylige folketingsvalg plakater med: »Efter Finanskrisen: Magnettog over Kattegat«. Sideløbende har vi uddelt mere end 200.000 kampagneaviser for at sørge for, at vi alle rettidigt kan forberede os på den finansielle flodbølge, der er på vej.

Danmark skal beholde kronen og vores unikke realkreditsystem, og hurtigst muligt få afskaffet de nye farlige SDO-lån. Finanstilsynet må kortlægge de problemer vores banker er eksponeret over for udefra (også via udenlandske datterselskaber) og gennem de seneste års kraftigt stigende udlån herhjemme. Der må gribes ind for at nedbringe risikoen. Samtidig må vi forberede os på konsekvenserne af et kollaps af den danske boligboble og modsvarigheden til den amerikanske subprimekrise: Hundreder af danske pantebrevskaruseller, der snart vil kollapse sammen med boligboblen.

Fremadstormende banker har ukritisk lånt penge ud til byggeprojekter, som dem i Ørestaden, med ringe sikkerhed. Boligejere med stigende friværdi er blevet overtalt til at optage investeringskreditter med »sikkerhed« i friværdien, der er blevet brugt til forbrug og gearede finansinvesteringer, der har pumpet en boble op på det danske aktiemarked. Alt dette vil ramme de danske banker og hele vores økonomi hårdt.

Folketinget må handle

Folketinget må pålægge regeringen at arbejde for iværksættelsen af et nyt Bretton Woods-finanssystem og gennem tiltag lig »Loven til beskyttelse af boligejere og banker af 2007« sikre, at de danske borgere og den danske økonomi beskyttes.

Folketinget må også pålægge regeringen at forberede en hurtig iværksættelse af påtrængende anlægsinvesteringer, der kan holde gang i den danske økonomi og begynde et nationaløkonomisk skifte væk fra en forbrugsdrevet økonomi, hvor servicejobs erstatter beskæftigelse i de produktive erhverv. Vi må tilbage til en investeringsbaseret økonomi, hvor investeringer i infrastruktur, produktion, og videnskabeligt og teknologisk fremskridt skaber grundlaget for øget produktivitet og en højere levestandard for hele befolkningen.

Infrastrukturbudgettet må tredobles, så vi, udover de selvindlysende akutte motorvejs- og jernbaneinvesteringer, kan få bygget brugerbetalte faste forbindelser over Femern Bælt, Kattegat og Helsingør-Helsingborg og et offentligt betalt dansk magnettognet. Dette magnettognet vil ikke blot reducere rejsetiden mellem København og Århus til 25 minutter, men vil, når det er fuldt udbygget, binde hele Danmark tættere sammen og kunne overtage en stor del af person- og godstransporten. Et internationalt net vil ikke blot bringe os til Stockholm, Oslo, Hamburg og Berlin på under fem kvarter, men helt til Asien og Amerika.

Webcast med LaRouche

Den internationale krise vi står midt i er uden historisk sidestykke og kan ikke løses indenfor det nuværende finanssystems rammer. Den truer ikke blot vores nuværende og fremtidige velfærd, men er med aktiv hjælp fra imperiefractionen i Storbritannien allerede i gang med at udløse globalt kaos og en ny mørk tidsalder. Men laver vi de nødvendige modige politiske indgreb, kan vi ikke blot overvinde den akutte krise men også skabe en global renæssance, der giver alle nationer og folkeslag mulighed for at skabe sig en menneskeværdig fremtid.

I aften kl. 19:00 vil Lyndon LaRouche holde en webcast fra Washington om alvoren i den nuværende krise og vejen ud af den. Det ville være en god idé at lytte med og efterfølgende gå i det italienske senats fodspor, og invitere LaRouche til Folketinget for at diskutere disse spørgsmål yderligere.

Tak for ordet.

ⁱ Se Bilag 1: Verden har brug for et nyt Bretton Woods-finanssystem!

ⁱⁱ Se Bilag 2: Lyndon LaRouches lovforslag til beskyttelse af boligejere og banker.

ⁱⁱⁱ I resolutionen, der blev vedtaget af det italienske deputeretkammer den 6. april 2005, hedder det bl.a.: »[Resolutionen] Forpligtiger regeringen til at handle i alle relevante internationale sammenhænge for at skabe en ny finansiell struktur, der sigter mod at undgå fremtidige finanskrak og en gentagelse af spekulative bobler, og som sådan er rettet mod det primære mål at støtte den reelle økonomi; og til at tage alle nødvendige skridt til at nå, så snart som mulig, sammen med andre nationer, en indkaldelse til en international stats- og regeringskonference, for at skabe et nyt og mere retfærdigt globalt finans- og betalingssystem.«

^{iv} http://www.solidariteetprogres.org/spip/sp_article.php3?id_article=3209.

Andre bilag:

Bilag 3: Dækning af den internationale finanskrise i Schiller Instituttets nyhedsbrev Prometheus fra december 2007 og januar 2008.

Bilag 4: "US and China," tale af Lyndon LaRouche i Los Angeles, USA, den 24. november 2007 om hans forslag om en 4-magtssamarbejde for at etablere et nyt stabil Bretton Woods finanssystem.

Bilag 5: The End of the 'Free' Market Economy: We Need Laws To Save the Common Good in Germany! By Helga Zepp-LaRouche.

Bilag 6: The Debt Crises Moves To Center Stage by John Hoefle.

Fra Prometheus, Schiller Institutets månedlige nyhedsbrev:

Januar 2008:

Og den **2. januar**, den første arbejdsdag i **2008** - hyperinflationens år, som historiebøgerne sandsynligvis vil kalde det - leverede et ganske ubehageligt forvarsel om det, der er i vente: Prisen på guld steg med **3%** til **860 dollars per ounce**, det højeste niveau i historien (en rekord, der atter blev brudt de følgende dage). En tønde olie steg med **2%** og rundede for første gang nogensinde **100 dollars**. På varebørsen i Chicago steg hvede og andre landbrugsprodukter med **2-3%**. Den ledende indikator for industriproduktionen i **USA**, **ISM-indekset**, faldt »uventet« med **4%**, og det sendte aktierne på **Wall Street** ud i et kraftigt dyk. Og nedturen fortsatte den **4. januar**, da den officielle amerikanske arbejdsløshed steg til **5%**.

USA og resten af verden er med stormskridt på vej ind i en kombination af økonomisk stagnation og galoperende inflation, »stagflation«, den farligste af alle nationaløkonomiske processer!

For at gøre ondt værre var **2. januar** også første arbejdsdag for det nye sæt af aftaler, kaldet **Basel II**, der skal regulere den internationale bankverden i fremtiden. Ifølge de nye regler sænkes soliditetskravene til de enkelte banker, som i stedet underlægges rigide kreditvurderingskriterier, som vil være direkte bestemmende for den rente, man skal betale på det internationale bankkreditmarked. Men ak, systemet er i realiteten punkteret, før det overhovedet kom i gang. Alle de kreative gældsprodukter, **CDO'er** og **ABCP'er**, eller hvad de nu blev kaldt, som blev konstrueret ud fra de såkaldte »**subprime-lån**«, der skabte den amerikanske boligboble, var primært forbeholdt alle de store banker med de bedste kreditvurderinger, altså **AAA**. Derfor er det de største og de fineste storbanker, der er i de største vanskeligheder. Når årsregnskaberne for **2007** foreligger i slutningen af januar og begyndelsen af februar, kan en lang række af verdens største banker få meget svært ved at opfylde solvenskravene, og hvis de gør, vil de i stedet stå med så dårlig kreditvurdering, at de i realiteten er ude af branchen. Der er lagt op til et blodbad.

Situationens alvor blev understreget af det faktum, at verdens største bank, **Citigroup**, ifølge Prometheus' kilder i finansverdenen, ikke ville have overlevet årsskiftet, hvis den ikke havde modtaget et kapitalindskud fra **Abu Dhabis** statslige investeringsfond på **7,5 mia. dollars** i slutningen af november, og det samme var tilfældet med verdens største investeringsselskab, **Merrill Lynch**, der også ville være krakket inden nytår, hvis ikke **Singapores** statsejede fond **Temasek** havde skudt **4,4 mia. dollars** ind i selskabet.

At verdens største banker er i gigantiske vanskeligheder er selvfølgelig bekymrende, men at de stadig er i vanskeligheder efter **Den amerikanske Føderalbank** og den europæiske centralbank, **ECB**, gennem fem måneder har hældt **flere hundrede milliarder af dollars** i friske kreditter ud til bankerne er direkte skræmmende. Den massive øgning af likviditeten har ikke haft nogen effekt, og i følge den britiske avis *The Daily Telegraph* den **23. december**, har centralbankerne kun kort tid til at komme op med en ny plan. **Professor Peter Spencer** fra **York Universitet** og cheføkonom i **ITEM Club** sagde til avisen: »De har stadig et par måneder, før det hele begynder at implodere. Situationen er meget ustabil, og tingene kan ske utrolig hurtigt. Jeg tror ikke, at centralbankerne kommer til at lave alt for alvorlige fejl, men gør de det, vil alt det her få **1929** til at ligne en tur i parken«.

Også den fhv. chef for Den amerikanske Føderalbank, **Alan Greenspan**, er ved at få alvorligt ondt i maven. Han burde ellers påtage sig broderparten af skylden for de problemer, han nu er så bekymret for. Det var nemlig hans rundhåndede rentepolitik gennem alle de **20 år**, han sad i sit embede, der lagde grunden til den finansboble, der nu brister. I et interview med den statsejede landsdækkende amerikanske radiostation *NPR* den **31. december**, sagde han bl.a.: »Jeg tror, at der vil ske et eller andet uforudset, som knækker os ... og jeg mener, at chancen er stigende, for vi er på vej ind på sårbare territorier.« Han fortsatte: »Det, jeg sigter mod, er, at vi befinder os i et vendepunkt, og at de ekstraordinære forbedringer i verdensøkonomien, der er sket over de seneste **15 år**, er forbigående, og de er nu ved at vende ... Så jeg tror hele processen nu vil gå den modsatte vej.« Greenspan indrømmede afslutningsvis, at hverken han eller de fleste andre økonomer har været særlig gode til at forudsige den økonomiske udvikling.

I **Storbritannien** fortalte finansminister **Alistair Darling** i et interview med *The Financial Times* den **3. januar**, at han hurtigst muligt vil udstyre det britiske finanstilsyn med større beføjelser til at overtage ledelsen af kriseramte banker. Belært af krisen omkring storbanken **Northern Rock**, hvor den britiske regering har måttet skyde over **250 mia. kroner** af skatteydernes penge ind for at afværge et krak, har både regeringen og **Bank of England**, under ledelse af **Mervyn King**, endelig indset, at det selv i den superliberale kapitalismes højborg, er nødvendigt med strengere kontrol over bankernes gøren og laden.

Men Darlings og Kings fælles redningsplan kommer overhovedet ikke til at fungere, advarede Lyndon LaRouche. Tabene kommer til at blive så store, og konsekvenserne så dramatiske, at der skal helt andre midler til. Derfor gentog LaRouche nødvendigheden af, at hvert land opstiller deres egne nationale »brandmure« for at beskytte banker og borgere imod den internationale krise. Samtidig haster det med at få gennemført det **Franklin D. Roosevelt**-inspirerede lovforslag til beskyttelse af både banker og husejere, som LaRouche har fremlagt i USA (se også *Prometheus sep. '07*). Bringes den amerikanske del af krisen under kontrol, vil det få effekt over hele kloden.

Men der må og skal også opbygges et helt nyt finans- og betalingssystem. Derfor har LaRouche gentaget sit forslag om, at USA samler **Kina, Rusland og Indien** bag sig i etableringen af en moderne udgave af efterkrigstidens finans- og valutasystem, det såkaldte **Bretton Woods-system**.

December 2007

FINANSORKAN OG POLITISKE INDGREB

Et nyvalgt Folketing er rykket ind på Christiansborg. Valgkampen varede kun tre uger. Trods et minimalt budget lykkedes det Schiller Instituttets formand, Tom Gillesberg, og de tre andre kandidater, der stillede op udenfor partierne på et fælles program, at sætte to meget vigtige punkter på dagsordenen: Vi er på vej ind i den dybeste finanskrisen i den moderne civilisations historie, og skal vi komme sikkert ud på den anden side, må vi her i Danmark satse på en afgørende teknologisk opgradering af vores nationale infrastruktur. Det betyder en bro over Kattegat og et landsdækkende hypermoderne, superhurtigt magnettoget. Disse investeringer skal lægges oven i de almene infrastrukturforbedringer, som alle erkender, er bydende nødvendige: Udbygning af motorvejsnettet, moderne og effektive kollektive transportnet i

storbyerne, helt nye moderne sygehuse i regionerne, og massive forbedringer i undervisningssektoren m.v.

Da valgkampen startede, stod mange som levende spørgsmålstejn, »Hvad for et krak?«, når de så Tom Gillesbergs berømte valgplakat: »Efter finanskrakket: Magnettoget over Kattegat«. Tre uger senere havde betydeligt flere bemærket, at der faktisk er noget alvorligt i gære. Panikmeldingerne fra de danske banker var svære at overhøre. Yderligere tre uger senere er sammenbruddet på de internationale kreditmarkeder efterhånden nået ud til de fleste. Og her på Prometheus har vi mistet vort monopol på dramatiske alarmmeldinger: »Orkanvarsel for verdens økonomi«, buldrede en overskrift i Berlingske Tidende og på Business.dk i begyndelsen af december.

Med den voksende erkendelse af krisens alvor, vokser også nødvendigheden af hurtige politiske indgreb. I USA har den fhv. demokratiske præsidentkandidat Lyndon LaRouche fremlagt et lovforslag, der skal forhindre, at bolig- og kreditkrisen udvikler sig til en gigantisk menneskelig katastrofe for millioner af amerikanske husejere. Samtidig vil lovforslaget afværge en global kædereaktion af bankkrak, der også kunne få dramatiske følger herhjemme i Danmark.

Men tiden er også inde til at erkende, at verdens nuværende finans- og betalingssystem ikke står til at redde. I slutningen af november deltog LaRouche i to vigtige konferencer i Rockville, Maryland, og Los Angeles, Californien. Herfra var der direkte forbindelse til den øverste politiske ledelse i Kina. Og LaRouche benyttede lejligheden til at gentage sin opfordring til den amerikanske regering om at samle Kina, Rusland og Indien bag et forslag til etableringen af et nyt Bretton Woods-finanssystem. Samtidig beskrev han nødvendigheden af store infrastrukturprojekter for fremtidens globale økonomiske udvikling. Den meddelelse nåede helt til Beijing. Det fremgik tydeligt af den kinesiske presse. Nu venter vi bare på en reaktion fra Washington. Det haster!

DET BLIVER MEGET VÆRRE

Den 27. november samledes borgmestrene fra alle egne af USA til et krisemøde i den tværpolitiske organisation **The US Conference of Mayors, Den Amerikanske Sammenslutning af Borgmestrene**. Mødet fandt sted i **Detroit, Michigan**, engang hjertet i den stolte amerikanske automobilindustri og hovedstaden i USA's berømte industribælte, nu den farligste og mest kriminalitetsramte storby på hele det nordamerikanske kontinent. Den tunge amerikanske industri er efter **20 års »globalisering«** blevet jævnet med jorden, og titusinder har mistet deres arbejde i den hendøende bilindustri. Oven i alt dette har Detroit været centrum for den første bølge af tvangsauktioner, der har skyllet hen over adskillige amerikanske delstater efter sammenbruddet af boblen på det amerikanske boligmarked i **sommeren 2006**.

Oplægget til borgmestrenes møde i Detroit var en rapport fra det amerikanske økonomiske analyseinstitut **Global Insight**, der slog fast - med syvtommer søm - at vi slet ikke har set toppen af den økonomiske krise, der er fulgt i kølvandet på sammenbruddet af boligboblen. Det bliver meget, meget værre! I de kommende måneder vil krisen for alvor ramme folkerige delstater som **Californien** og **Florida**, og ifølge Global Insight risikerer **1,4 mio.** amerikanske familier at blive sat fra hus og hjem. Og som følge af de faldende huspriser, står de amerikanske boligejere til at miste

omkring **1.200 mia. dollars** i løbet af **2008**. I Californien alene vil det betyde et fald i ejendomsskatteprovenuet på rundt regnet **3 mia. dollars**.

Den Amerikanske Sammenslutning af Borgmestre, der repræsenterer mere end **1.100** byer, hver med et indbyggertal på mere end **30.000**, blev dannet under den store depression i **1930'erne**, som et fælles politisk talerør for at sikre økonomisk bistand fra regeringen i **Washington**.

Men den truende tsunami af tvangsauktioner i USA vil ikke kun få konsekvenser for den amerikanske økonomi. Forude lurer et endegyldigt sammenbrud af de internationale kreditmarkeder. I historiebøgerne vil der måske stå, at det hele startede i den amerikanske delstat **Ohio**.

Den **31. oktober** afsagde dommer **Christopher A. Boyko** en opsigtsvækkende dom i en fogsagsag ved **Den føderale Distriktsdomstol i Cleveland, Ohio**. **Deutsche Bank National Trust Company**, et datterselskab af den tyske storbank, havde sammen med **Bank of New York** krævet **14** familier sat ud af deres hjem pga. misligholdte huslån. Problemet var blot, at disse huslån var blevet klippet op i strimler og videresolgt på kreditmarkederne som pakker af panteobligationer, bestående af flere forskellige slags lån. Og det var sådanne pakker **Deutsche Bank** havde lod i, eller rettere det havde et investeringsselskab, et såkaldt »structured investment vehicle«, **SIV**, oprettet til lejligheden af Deutsche Bank. Ved udgangen af **2006** var der i USA blevet udstedt og videresolgt panteobligationspakker til en samlet værdi af **6.500 mia. dollars**. En meget stor del af dem med rod i usikre huslån, de efterhånden så berømte »subprimelån«, som for hovedpartens vedkommende slet ikke bliver tinglyste! Det var heller ikke tilfældet med de **14** huse i Cleveland. Deutsche Bank stod ikke påskrevet skøderne som panthaver. Og derfor afviste dommer Boyko bankens krav om en fogsedforretning.

Den **13. november** var det så **Citybank, Wall Street-giganten Merrill Lynch** og den internationale storbank **HSBC**, der ikke kunne få en distriktsdomstol i **Dayton, Ohio**, til at sætte **26** familier på porten. Dommer **Thomas M. Rose** gav bankerne **30 dage** til at fremskaffe konkrete beviser på, at de faktisk havde pant i husene, ellers ville deres krav om tvangsauktioner blive pure afvist.

Konsekvenserne af dommene i Ohio lader sig næsten ikke beskrive. Alle verdens banker har forspist sig i de nævnte pakker af panteobligationer. De bærer mange forskellige navne og findes i alle mulige former. Men hvad enten der tale om såkaldte **CDO'er**, »Collateralized Debt Obligations«, hvilket vil sige kreditobligationer baseret på sikkerhed, eller **ABS'er**, »Asset Backed Securities, altså obligationer bakked op af aktiver, så hviler hele systemet på, at der et eller andet sted tilbage i fødekæden af afledede kreditpapirer findes nogle værdier, der om nødvendigt kan inddrives. Er der ikke det, vælter hele korthuset. Og det første pust er kommet fra to distriktsdommere i Ohio.

Men mareridtet kan blive endnu værre for den internationale bankverden. Ifølge **Josh Rosner**, panteobligationseksperter for **Graham-Fisher**, et uafhængigt analyseinstitut i **New York**, findes der intet samlet register over bankernes pakker eller puljer af panteobligationer, og han har set tilfælde, hvor det samme huslån optræder i både to og tre forskellige pakker. Det sagde han til avisen *The New York Times* den **15. november**.

»Hvis det virkelig er tilfældet, står vi overfor det største og mest dramatiske sammenbrud af finans- og banksystemet i menneskehedens historie«, advarede den amerikanske økonom og thv.

demokratiske præsidentkandidat **Lyndon LaRouche**. Ja, bare rygtet om at noget sådant skulle kunne forekomme, altså at de samme huslån optræder som sikkerhed i flere forskellige panteobligationspakker, kan trække den sidste tillid ud af de kriseramte kreditmarkeder og bringe hele systemet til fald. Det bekræfter *Prometheus'* egne kilder i finansverdenen. »Tanken er så skræmmende, at den slet ikke kan føres til ende.«

Og USA's finansminister **Henry Paulson** har tydeligvis også fået sin nattesøvn spoleret af udsigten til en gigantisk flodbølge af tvangsauktioner, som ruller gennem de amerikanske villakvarterer. Derfor indkaldte han den **29. november** topledere fra nogle af de allerstørste amerikanske finanshuse, **Citigroup, J.P. Morgan, Wells Fargo** og **Washington Mutual**, til et hastemøde for at overtale dem til »frivilligt« at fastfryse renterne på de mest truende huslån. Da boligboblen var på sit højeste, blev omkring **2 mio.** amerikanske familier lokket til at tage billige huslån, der var rente- og afdragsfrie i en begrænset periode. Men nu udløber »lokkeperioden«, og mindst **500.000** familier står til at miste hus og hjem ved den allerførste termin. Finansminister Paulson vil derfor have bankerne til midlertidigt at forlænge den såkaldte »lokkeperiode« for huslån til en samlet værdi af næsten **500 mia. dollars**.

»Hvem er det, der holder pistolen i tindingen på hvem?«, spurgte Lyndon LaRouche retorisk, da nyheden om krisemødet slap ud til offentligheden. Truer bankerne med at lade økonomien kollapse, eller truer finansministeren med at lade bankerne kollapse? »Under alle omstændigheder ser det ud til, at ingen af dem har lært noget som helst af den igangværende kreditkrise, og jeg vidste faktisk ikke, at Paulson var så dum«, sagde LaRouche. Midlertidige lappeløsninger vil ikke hjælpe noget som helst.

Kun et gennemgribende lovindgreb, i lighed med det præsident **Franklin D. Roosevelt** gennemførte under krisen i **30'erne**, kan forhindre, at kredit- og boligkrisen trækker hele den amerikanske økonomi ned i en dyb depression. Og et udkast til et sådant indgreb fremlagde LaRouche allerede den **22. august** kaldet: »*Homeowner and Bank Protection Act of 2007*«, HBPA, »*Lovforslag til beskyttelse af boligejere og banker af 2007*« (se *Prometheus*, sept. '07).

Mens politikerne i Washington af uransagelige årsager stadig ikke kan få sig taget sammen til at gribe ind over for krisen, har dusinvis af byråd rundt om i USA vedtaget resolutioner, der i stærke vendinger opfordrer Kongressen til at behandle LaRouches lovforslag (se også *Prometheus*, nov. '07). Den **29. november** afholdt delstatssenatet i **Pennsylvania** en særlig høring, der blev indledt af LaRouches mangeårige ven og samarbejdspartner **Harold James**, demokratisk delstatsrepræsentant, som kunne fortælle, at det resolutionsforslag, **HR418**, som delstatssenatet senere skal behandle, allerede har vundet tilslutning fra adskillige byråd i Pennsylvania, herunder storbyen **Philadelphia**, hvor det blev enstemmigt vedtaget tidligere samme dag. **Paul Gallagher** og **Richard Freeman**, begge redaktører ved *Prometheus'* samarbejdspartner *Executive Intelligence Review*, fik som repræsentanter for **LaRouches politiske aktionskomité, LPAC**, mulighed for at fremlægge de nationale og internationale økonomiske og politiske aspekter af krisen.

Blandt de øvrige talere var byrådsmedlem **Linda Thompson** fra **Harrisburg**, der i sin fritid udfører frivilligt arbejde i organisationen **LOVESHIP**, som rådgiver familier, der trues af tvangsauktion. Hun fortalte, at antallet af tvangsauktioner er vokset med så eksplosiv hast de seneste tre måneder, at hendes organisation simpelthen ikke kan følge med. Hun støttede kraftigt LaRouches lovforslag. Det samme gjorde dommer **Jeffrey Sprecher** fra civilretten i **Berks County**, som fortalte, han netop havde beordret en fastfrysning af tvangsauktionerne i en sag, der involverede **800** familier i

det centrale Pennsylvania. Ved høringens afslutning annoncerede komitéformand **Curtis Thomas**, at resolutionsforslaget med sikkerhed ville blive viderebehandlet.

Den uløste kredit- og bankkrise har sendt de internationale aktiemarkeder ud på en gevaldig rutschebanetur. November blev den mest turbulente måned siden aktiekrakket på Wall Street i **oktober 1987**. Men så skinnede solen tilsyneladende igen i den allersidste uge, hvor **Dow Jones-indekset** på Wall Street steg med over **628 point** på bare fire dage. Anledningen til den genvundne optimisme var en melding fra føderalbankdirektør **Ben Bernanke** om, at udsigterne for den amerikanske økonomi nu er så dårlige, at en større rentesænkning er i vente i begyndelsen af december. Hurra, altså flere billige penge til spekulation, og da aktierne traditionelt stiger i gennemsnit med **1,7 procent** i løbet af december, så skal Dow Jones-indekset nok komme tilbage op over **14.000 point** inden nytår, jublede optimisterne.

»Det er de godtroende fjolsers opsving«, sagde **Nouriel Roubini**, fhv. embedsmand i finansministeriet og administrerende direktør for rådgivningsselskabet **RGE Monitor**, til *The New York Times* den **1. december**.

De »godtroende fjolser« fik deres første skud af irrationel optimisme den **27. november**, da verdens største bank, Citigroup, meddelte, at **Abu Dhabi**s statslige investeringsfond, **ADIA**, havde opkøbt **4,9 procent** af bankens aktier for den nette sum af **7,5 mia. dollars**. Det kontante indskud løftede lige netop den kriseramte storbank op over de amerikanske likviditetskrav, og selv om ADIA krævede en fast forrentning på hele **11 procent**, så tolkede de »godtroende fjolser« på aktiemarkedet det som en »tillidserklæring« til Citigroup, og det første tegn på at kreditkrisen er ved at være ovre.

Abu Dhabis anvendelse af statslige oliepenge til opkøb af aktier i verdens største bank var snarere en forsmag på de dramatiske forskydninger i verdensøkonomien, som kreditkrisen truer med at udløse. Mens den vestlige verden, USA i særdeleshed, har opbygget en gigantisk boble af gæld, har **Kina, Japan** og det øvrige **Asien** sammen med **Rusland** og dele af den nyindustrialiserede verden ophobet lige så gigantiske valutareserver. En voksende del af disse pengebjerge ligger samlet i statslige investeringselskaber, »sovereign wealth funds«, også kaldet superfonde. Allerede i dag har de **30** største statslige superfonde knap **3.000 mia. dollars** at gøre godt med, og inden **2015** forventes de at sidde på godt **12.000 mia. dollars**.

For finansverdenen i **City of London** udgør de statsejede superfonde en alvorlig trussel imod den fortsatte »globalisering«, og derfor bragte **Storbritannien** og USA spørgsmålet om en fremtidig regulering op på **G7's** topmøde i **Tokyo** i slutningen af oktober. De statsejede fonde skal på en eller anden måde tvinges til at opføre sig som private kapitalfonde.

Men det kan City of London næppe finde global gehør for. Under den igangværende kreditkrise har selv relativt fattige nyindustrialiserede lande klaret sig langt bedre end både USA og **Europa**. Det skyldes ikke mindst de statsejede investeringsfondes beskyttede likviditetsbeholdninger. Som *Prometheus'* kilder i finansverdenen udtrykker det, kan den fremtidige lektie fra kreditkrisen meget vel blive, at kontrol med kapitalbevægelser er godt, mens »globalisering« er noget værre skidt.

KINA LYTTET TIL LAROCHE

Den **17. november** fremlagde **Lyndon LaRouche** sine visioner om fremtidens politiske og økonomiske relationer i **Stillehavsområdet** under en konference på **Marylands Universitet i Rockville**. Konferencens tema var »Globalt topmøde for Kinas fredelige genforening«, og blandt de mere end **200** politiske ledere fra kinesiske kredse og samfund rundt om i verden var **Kinas** ambassadør i **Washington, Zhou Wenzhoung**.

Og den **24. november** stod LaRouche som taler ved endnu en konference. Den fandt sted i **Los Angeles** og var arrangeret af **Instituttet for Kinesiske Strategiske Studier**. Temaet var: »Forum for relationerne mellem USA og Kina og den fredelige genforening af Kina«. Her deltog næsten **100** regeringsrepræsentanter, akademikere og politiske aktivister.

I sin tale på universitetet i Maryland gav LaRouche en kort gennemgang af den igangværende finanskrise, hvorefter han beskrev den historiske betydning af moderne infrastruktur, og den rolle som store infrastrukturprojekter må og skal spille i fremtidens udvikling af Stillehavsregionen. Han sagde bl.a.:

»Fortidens civilisationer blev i høj grad domineret af stærke imperialistiske kræfter, som udøvede deres kontrol over landområderne fra søsiden, men med valget af **Abraham Lincoln**, og den efterfølgende udvikling af det transkontinentale jernbanenet i **USA**, skete der et skifte. Dette faldt sammen med et politisk fremstød fra **USA's** side for at åbne forbindelser til landene i **Asien** hen over Stillehavet og yde de imperialistiske kræfter i området politisk modstand. Nu er tiden inde til at gøre dette fremstød til virkelighed. For nylig blev der afholdt en række møder i **Rusland** omkring spørgsmålet om opbygningen af et nyt verdensomspændende jernbanenet, herunder konstruktionen af en tunnel fra det nordlige **Sibirien** under **Beringstrædet** til **Nordamerika** ... hvilket stort set vil forbinde hele verdens jernbanelinjer, hvis man lige ser bort fra **Australien**.«

»Disse jernbanesystemer, som kan være enten almindelig jernbane eller magnettog, vil således effektivt forene de store landmasser og danne grundlaget for intern økonomisk udvikling. Dette går i tråd med den seneste udvikling, som mange af os længe har ønsket, hvor forholdet mellem de to **Korea'er** er ved at falde på plads. En funktionsmæssig økonomisk genforening af Korea vil medføre en stor forandring i befolkningen, og nøglen vil være jernbanenettet.«

LaRouche drog en direkte parallel mellem situationen i Korea og fremtidens udfordringer for **Kina**. Opbygningen af et fuldt fungerende verdensomspændende jernbanenet vil åbne op for de enorme øde landområder, der kan frembringe de ressourcer, som både Rusland og Kina, med en befolkning på **1,4 mia.** mennesker, vil have behov for til fremtidens økonomiske udvikling. Og det eurasiske infrastrukturnet skal strækkes til begge sider, både til **Europa** og til Nordamerika, hvor især opbygningen af moderne, superhurtige magnettoglinjer vil være afgørende for transport af dyrt, højteknologisk gods. Almindelige bulkvarer og stykgods kan stadig transporteres med skibe, men fremtidens økonomi vil kræve, at højteknologisk gods sendes langt hurtigere og effektivt.

På konferencen i Los Angeles fokuserede LaRouche mere direkte på den internationale finans- og kreditkrise. Han henviste til sin tale i Washington den **25. juli**, som blev transmitteret »live« over internettet, i hvilken han forudsagde, at krisen på de internationale kreditmarkeder ville udvikle sig til en alvorlig systemkrise. Det har holdt stik, og hvert eneste forsøg fra **Den amerikanske Føderalbank** på at løse krisen gennem kreditlempelser har kun gjort ondt værre. Fortsætter man i samme spor, vil man genskabe en global version af **Tysklands hyperinflation i 1923**.

LaRouche fortsatte: »Det er dog vigtigt, at vi ikke overser det afgørende faktum, at ethvert finans- og betalingssystem, isoleret set, ikke er andet end et »papirsystem«. Finans- og betalingssystemer kan heldigvis udskiftes. På lang sigt, er det et samfunds sociale opbygning ud fra hvilke den fysiske økonomi udformes, som er afgørende.«

»Tager vi al den viden, vi i dag har til rådighed, i anvendelse, gælder følgende retningslinjer: Når som helst en magtfuld konstellation af nationale regeringer kan finde hinanden i en passende aftale om at ændre et fejlslagent finans- og betalingssystem, kan der findes en løsning på enhver moderne finanskrise. Derfor, skal den afgørende pointe i min præsentation i dag være: Hvis USA's regering helt konkret skulle foreslå et samarbejde omkring en passende reform til en stiftende gruppe, bestående af regeringerne fra **USA, Rusland, Kina** og **Indien** ville det være muligt at bringe de igangværende internationale krise under kontrol, og derfor samle et flertal blandt verdens nationer bag en tilslutning til de indgreb, der vil stabilisere verdenssystemet og frembringe grundlaget for almen økonomisk genopbygning« (læs alle talerne og videre nyheder på www.larouchepac.com).

Uddrag fra LaRouches tale blev viderebragt i alle de store nationale kinesiske medier. I et nyhedstelegram fra det statsejede nyhedsbureau *Xinhua*, som blev bragt i *Folkets Dagblad* og den engelsksprogede *China Daily* (og sandsynligvis flere andre medier i Kina), lød overskriften: »Økonom: USA og Kina må gå sammen for at reformere verdens finanssystem«. På *Xinhua*s egen hjemmeside kunne man på kinesisk, engelsk, fransk, spansk og arabisk blandt andet læse: »USA og Kina bør gå sammen for at reformere verdens finanssystem, som netop nu befinder sig i den farligste krise i flere århundreder, sagde en af USA's førende økonomer lørdag. Et sammenbrud af verdens nuværende finans- og betalingssystem er uundgåeligt, med mindre systemet inden for den meget korte tid, der er til rådighed, erstattes af et nyt verdenssystem, sagde Lyndon LaRouche ved et frokostmøde under Forum for USA og Kinas Relationer og Kinas Fredelige Genforening.«

»LaRouche, der også er en berømt politisk aktivist, sagde, at den nuværende internationale finanskrise kun kan bringes under kontrol, hvis vigtige lande som USA og Kina samarbejder. Han sagde, at USA burde foreslå dannelsen af en stiftende gruppe, bestående af regeringerne fra USA, Kina, Rusland og Indien med henblik på at samle et flertal af verdens lande for at stabilisere verdenssystemet.«

We Need Laws To Save The Common Good in Germany!

by Helga Zepp-LaRouche

Helga Zepp-LaRouche is the chairwoman of the Civil Rights Movement Solidarity (BüSo), a German political party. Her article has been translated from German.

Even if the Berlin government issues one denial of reality after another, there can no longer be any doubt that the whole world financial system is hopelessly bankrupt. What Lyndon LaRouche and the BüSo have warned about for a long time is now proven: The globalization system and the so-called "free" market economy is now, as of the beginning of 2008, just as wrecked as the Communist system was in 1989.

It is now urgently necessary to activate the Basic Law and other existing laws and regulations, to uphold the vital functions of the economy—production and trade, budgets of the state and Federal governments—and to protect the population from the impact of the financial collapse. That is possible, but only if we immediately return to the time-tested principles of National Economics and the real economy.

It is quite astonishing, that the man who goes down in history as "Mr. Casino Economy," would declare, on New Year's Eve 2007, in an interview over the American National Public Radio (NPR), that the system is at an end. Alan Greenspan, who for 20 years was the chairman of the American Federal Reserve System, and who launched the "creative financial instruments," explained: "What I have to forecast, is that something will happen, something which is unexpected, which will knock us down. . . . What I point out is that we're in a turning phase, and that the extraordinary improvements that have occurred in the world economy in the last 15 years are transitory, and they're about to change. . . . So, I think this whole process will begin to reverse. . . . We and all other central banks lost control of the forces directing higher prices in homes."

These ominous "forces," the "locust funds" of every sort, for which Greenspan himself was one of the midwives, have made sure, over the past two decades, that a small layer of speculators became millionaires and billionaires, while the greater portion of mankind became poorer and poorer. These "forces," namely the hedge funds, private eq-

uity funds, the special purpose financial entities, etc., which operate on the basis of unconditional maximization of profit, are therefore guilty of such monstrosities as Agenda 2010, Hartz 4, or the health-care reform.¹ The speculation by these "forces" and the situation that has come about in the so-called subprime mortgage markets in the U.S.A., which were clearly fraudulent from the beginning, were made possible by Greenspan himself, in the first place, through his zero-interest-rate policies in 2000. The millions who are and will be losing their homes, also have him to thank for it. And the same "forces" are responsible for the fact that prices for food, gas, and energy are exploding, and inflation is devouring wages and savings.

But as little as Mr. "Bubble" Greenspan admits responsibility for the disaster which he is now lamenting, the same can be said of Jacques Attali,² who is to blame for another chunk of the systemic collapse. Attali, the "gray éminence" behind François Mitterrand, wrote on Jan. 3, in his column in the French newspaper *L'Express*: "It is the whole world which seems to be going over the precipice. As if a collision of trains going at full speed was in the making. As if, in a vortex emptying the bottom of a bathtub. . . . There is no hope of a return to stability for the global economy."

What Attali doesn't say, is that we can thank his former boss, François Mitterrand, and Margaret Thatcher, for this. Because the two of them forced Germany to accept the euro as the price for reunification, and they are to blame for the fact that we in Germany no longer have any instrumentarium for defense of the common good. In switching to the euro, we

1. Agenda 2010, announced in 2003 by then-Chancellor Gerhard Schröder, imposed "free-market" measures, including draconian cuts in health-care coverage, pensions, and unemployment benefits. Hartz 4, which became law in 2005, sharply cut unemployment benefits, while forcing the long-term unemployed to accept jobs paying 1 euro (\$1.45) per hour, in order to continue to receive benefits—ed.

2. Attali, an economist, was an advisor to the late French President François Mitterrand. His books include *Cannibalism and Society*, *Noise: The Political Economy of Music*, and *Amours: Histoires des relations entre les hommes et les femmes (Loves: Histories of Relations Between Men and Women, 2007)*—ed.

gave up sovereignty over our own currency to the European Central Bank [ECB], and since the treaties of Maastricht and Amsterdam, and the Stability Pact, the government's hands have been tied.

The Common Good Must Be Defended!

It is an irony of fate, that Jacques Attali is right, when he says the world financial system is truly, as he says, "bankrupt," and that the EU, with "an Italy going financially adrift," is in such a bad situation, that the very existence of the euro could be put into question. This poses the question of who really is responsible for the common good of Germany.

According to the Basic Law, it is quite clear. Article 20 states:

1. The Federal Republic of Germany is a democratic and social Federal state.

2. All state authority emanates from the people. It is exercised by the people by means of elections and voting and by separate legislative, executive and judicial organs.

3. Legislation is subject to the constitutional order; the executive and the judiciary are bound by the law.

4. All Germans shall have the right to resist any person seeking to abolish this constitutional order, should no other remedy be possible.

This commitment to the common good is further strengthened in the oath of office sworn by the President, Chancellor, and Federal ministers, according to Article 56:

I swear that I will dedicate my efforts to the well-being of the German people, enhance its benefits, ward off harm from it, uphold and defend the Basic Law and the laws of the Federation, fulfill my duties conscientiously, and do justice to all. So help me God.

But where is the commitment to defend and ward off harm from the German people, when the taxpayers are forced to shoulder the losses, in a banking crisis such as that which began with the IKB [Industriekreditbank] crisis of



EIRNS/Chris Lewis

Striking auto parts workers in Germany in 2004, as layoffs were hitting industry hard, amid the growing financial crisis. Today, the future facing workers and the unemployed is bleak, unless political leaders follow the advice of Helga Zepp-LaRouche: Junk the euro, return to national sovereignty, and implement an FDR-style economic policy.

July 10, and was followed by the crisis of West LB, Sachsen LB, and LBBW [Landesbank Baden-Wuerttemberg], although those losses were due to the greediness of private speculators?

In the financial crisis that began with the collapse of the American mortgage markets in the second half of July, a whole array of antagonisms, conflicts of interest, and legal loopholes have been discovered, which must be rectified if a solution is to be found.

It has become obvious that the BaFin [German Financial Supervisory Authority] has not been carrying out its banking oversight role. Otherwise it would never have been permitted the indirectly state-controlled IKB to become so embroiled in high-risk speculative deals. The BaFin and the principal stockholders of the IKB, the Kreditanstalt für Wiederaufbau [Reconstruction Finance Agency, or KfW], as a public bank, should have prevented the IKB from getting into such a mess. Clearly, people in both institutions have no understanding of the "creative credit instruments," such as CDOs, MBSs, ABCPs, or SIVs. The same goes for West LB, and certainly for Sachsen LB, which are costing taxpayers in Saxony and Baden-Wuerttemberg around 43 billion euros! The BaFin itself also must not be spared charges of incompetence. And when then the overwhelmed savings banks are forced to participate in bailing out the state banks [Landesbanken, or LB], this violates the conclu-

sions of the 1968 legislative probe of banking practices, which defined the task of public banks as that of conducting business "according to economic guidelines, but without profit-seeking," in order to supply the needs of the regions, the *Mittelstand* [small and medium-sized enterprises], and to protect the depositor—but instead have to cover the losses of the state banks, which have degenerated into "speculative betting agencies."

Who Is Responsible for Saving the System?

The maxim that profit is private, but losses are general, is borne out, but it is not the only blow against the common good for which the government is itself to blame. An even more complex and nebulous question, is just who is responsible for saving the collapsing banks. For we have not only a national banking crisis in Germany, but also a crisis throughout the Western banking system, however with highly varied circumstances.

Up to 1999, the Bundesbank was Germany's "lender of last resort," the source of credit, should the national economy go out of kilter. But with the introduction of the euro, currency sovereignty was transferred to the European Central Bank, and so we have the paradoxical situation in which national central banks are responsible for providing extraordinary liquidity—so-called "Emergency Liquidity Assistance" (ELA)—whereas they have no sovereignty over the creation of currency. And this legal loophole, which the fathers of the euro believed could simply be ignored, is now proving to be the potential deal-breaker of the European Monetary Union.

Since the onset of the global financial crisis, activated in August 2007 by the "sub-prime" mortgage crisis in the U.S.A., a credit crunch has developed, which has particular forms and manifestations in the Eurozone. The large investment banks have been sitting, since that time, on large mountains of paper titles, in so-called SIVs [structured investment vehicles], which are unsalable, or can be sold only at a fraction of their book value. Were the banks to actually sell these securities, the loss in their value would be obvious to all, and they would have to make enormous write-offs, exceeding even the amount of their capital for many of them, which would mean bankruptcy. Thus these banks are still sitting on their worthless paper, and while none of them know exactly what the risk of the others is, interbank lending has almost come to a halt.

In this situation, it becomes clear that the designs behind the Maastricht and Amsterdam treaties, the Stability Pact, the still-unratified European Treaty, the euro, and the ECB are highly problematic from the standpoint of responsibility and national interest. According to the motto "What can't be, shouldn't be," there is no mechanism, on the level of the EU, whereby the risk to the system could even be evaluated. And if trust between the banks even within national boundaries no longer exists, so much the greater is the difficulty across national borders.

Indeed there are various memorandums about cooperation among the national central banks, according to which their countries, together with the regulatory authorities, are supposed to play the function of "lenders of last resort." But the crisis of confidence and the complexity of the SIVs are such, that the necessary exchange of information among bank regulators, central banks, and market players makes coordination among those responsible very difficult. And within the present system, the choice is only between the Scylla of a crash and the Charybdis of hyperinflation, so that we've gone now for almost half a year since the outbreak of the crisis, with no solution.

Differing National Interests

Then we come to the differing interests of the individual member countries of the Eurozone. France is pushing for the ECB to lower interest rates, since, compared to Germany, it has relatively high unit labor costs and a relatively low technological level, France's exports are endangered by the present appreciation of the euro against the dollar. Germany, on the other hand, fears—not least because of the experience of hyperinflation in 1923—the inflation that is already visible, and the further rise of the euro currency, and would rather like to raise interest rates. However, this would place an additional burden on the domestic market, which has been weakened considerably since the introduction of the euro. And Italy, which has the highest level of debt in the world, in comparison to its Gross Domestic Product—a total debt of 1,575,346 million euros, which now means 104% of GDP, instead of the 60% "allowed" by the Maastricht Treaty—fears it would no longer be able to pay the interest on its debt, should rates rise. That is why Attali declares that "Italy going financially adrift" could place the euro itself in jeopardy. The differing appraisals of the risk thus exist not only between the Fed and the ECB, but also between the national central banks within the Eurozone.

The main problem of the current ECB-euro financial architecture is that the national governments no longer have the instrumentarium to defend their own economies and their own banking systems, and to initiate State investment programs that could bring the economy out of the depression that is hitting us. Already, credit to banks that are in trouble can only be provided with adequate security and at market prices. Cheaper credit could be provided by an injection of public funds, which is not the job of the Bundesbank, but of the State, and according to the EU Treaty, is only allowed under certain conditions and with the approval of the EU Commission. In general, the Treaty forbids the central banks from financing costs that are incurred by the State.

We Need a Legislated Firewall!

Even more fatal for economic and currency policy, however, are Articles 103 and 104 of the Maastricht Treaty: that "any type of credit facility with the ECB or with the central

banks of the Member States in favor of Community institutions or bodies, central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of member states shall be prohibited, as shall the purchase directly from them by the ECB or national central banks of debt instruments." And in Article 104a, it also says that private banks are not allowed to give credit at reduced rates to governments and other public institutions.

This all means that the present EU financial architecture is unsuitable for Germany's character as a social state and for the common good, whose defense is mandated by the Basic Law, to save the global financial system, under the conditions of the currently exploding crisis of the system. Therefore, the erection of a firewall for areas of public welfare is urgently needed. The unsolved national banking crises, as well as the rudderless global financial and monetary crisis, clearly constitute a "breakdown of the common economic balance," and so the government can and must act, on the basis of Article 20 of the Basic Law and the subsequently adopted "Law on the Requirement of Stability and Growth of the Economy," in combination with Article 104a, Section 4, Sentence 1, and Article 115 of the Basic Law.

The transfer of sovereignty over one's own currency to supranational institutions must be suspended. The Maastricht Treaty and the Stability Pact must be frozen. The State must place the public banks, the savings banks, the cooperative banks, the state banks, and the KfW under its protection, and in the future bring them under effective control, so that the mistakes that have been made are not repeated. (The fact that in the very homeland of Adam Smith, the nationalization of the Northern Rock Bank, now referred to as the "Northern Wreck," is being discussed, shows that Alexander Hamilton wins over Adam Smith.)

Thereafter, secure credit lines must be made available for all essential functions of production, trade, and supply of household necessities. The competence and capacity of the public banks will have to be expanded to correspond to demand. The treatment of all nonessential problems must be set aside, until the breakdown of the economic balance is overcome.

Furthermore, provision must be made for the poor and low-income population, with affordable food and energy. For all essential categories, price controls must be decreed. The government must make sure that people can remain in their homes, and are protected against foreclosures.

Credits for Construction

In order to achieve real productive full employment, which is ultimately the only long-term basis for health of the economy, the Bundesbank or an expanded KfW should offer credit lines for investment in the maintenance and modernization of industry and the construction of means of

transportation. This includes the repair of roads and bridges, the modernization of canal systems and supply of drinking water, construction and maintenance of schools, hospitals, and other public buildings. Aufbau Ost [rebuilding of the East] must be directed so as to achieve social justice and structural improvement. Street transport must be reduced, and public mass transportation systems such as the Transrapid and the CargoCap system will be required.

For energy security, it is urgently necessary to start building the inherently 100% safe high-temperature nuclear reactors, the so-called pebble-bed modular reactors. At the same time, the introduction of hydrogen technologies will solve many of today's problems in an environmentally friendly and safe way.

In other words: We must return to the principles of the real physical economy, placing the common good above private profit.

Parallel with the reorganization of the German banking system and the real economy, we must work out and conclude long-term agreements with other nations on necessary measures for reorganization of the world financial system—a New Bretton Woods system—and the reconstruction of the world economy. Building the Eurasian Land-Bridge could provide the concrete framework for a New Deal for the reconstruction of the world economy, with special emphasis on the economic construction of Africa.

Avoiding the Mistakes of the Past

In view of the demonstrated incompetence of the authorities who have participated in bringing about the current crisis of the system, either by active policies or by neglect, competent people must take office, who have studied the principles of the real physical economy and the national economy. Such persons exist in the BüSo, as well as among scientists, engineers, and *Mittelstand* entrepreneurs.

If we in Germany have learned anything at all from history, then we dare not repeat the mistakes of the 1930s, in which austerity policies, as a reaction to the banking and economic crisis, ultimately led to Hjalmar Schacht and Hitler. It is obvious, that today there are again financial interests, which Greenspan so ominously called "forces," who would be happy to take this route. This is the context in which to see the attempt by a mega-locust of Wall Street, with a personal fortune of \$11 billion (!!!), to buy the Presidency of the U.S.A.: Michael Bloomberg, a real representative of those "Robbing Hoods," who would like to solve the banking crisis by massively driving down the living standards of the population.

Now as then, we have a choice: either the policies of Mussolini and Hitler, or a policy in the tradition of Franklin D. Roosevelt, a New Deal and a New Bretton Woods. Particularly in Germany, we must not make the same mistakes twice!

The Debt Crisis Moves To Center Stage

by John Hoefle

The demise of Wall Street's securitization machine will impact the economy and the lives of people in ways that few have considered. Debt lies at the very heart of our economy; for households, businesses, and government, borrowing has become a fact of life, a way to subsidize normal operations for some, a lifeline for others. Debt, its issuance and management, has become perhaps the biggest business in the country, and it is a business that has died.

It is not the need to borrow that has died: The need for borrowing is bigger than ever, given the bankruptcy of the banking system, the soaring prices on food and energy and the like, and the falling incomes of the lower 80% of the population. What has died, is the mechanism which enabled the issue of vast amounts of debt, the ability to convert that debt into securities, and move it off into the nether world of off-balance-sheet finance. The debt machine itself has broken.

Debts as Assets

The way the debt machine worked can be seen in the case of mortgage-backed securities (MBS). Mortgage lenders would make loans to people to buy homes, then sell those loans to larger financial institutions, which would consolidate them into pools, and issue securities whose value was said to be derived from the value of the underlying mortgages. The mortgage-backed security itself is a new debt, whose repayment is said to be backed by the income stream from the payments on the mortgages in the pool. But that is not quite true, since the mortgage payments are already spoken for, as the repayment with interest of the original mortgage loan. All the buyer of the MBS really owns is a bond backed by the company which issued it.

This securitization process is presented as a way to pro-

vide more money for mortgage loans, and it does do that, but that is only the beginning, as the debt from the mortgages is used to fuel the securities machine. The relationship between the mortgages and the securities can be easily seen by comparing the volumes of each. In 2003, for example, there were just shy of \$1 trillion in new mortgages issued, while just over \$3 trillion in mortgage-related securities were issued. Mortgage-related securities, as defined by the Securities and Financial Markets Association trade group which provided the securities statistics, include mortgage-backed securities and collateralized mortgage obligations (CMOs) issued by both government agencies such as Ginny Mae, Fannie Mae, and Freddie Mac, and by private sector institutions such as Bear Stearns, Lehman Brothers, and Goldman Sachs.

The ability to turn \$1 in mortgage debt into \$3 in securities explains why residential real estate became such a speculative bubble. The name of the game was not selling houses, but selling mortgages to fuel the securities business. The real money was not in the loans themselves, but in the speculation which they enabled. With the connivance of the ratings agencies—which are actually just private companies which get paid for the ratings they issue—these mortgage-backed securities were broken up into slices, or tranches, with the top tranche often having a higher credit rating than the mortgages upon which it was nominally based. Pools of subprime mortgages were thus transformed into securities with triple-A ratings which could be sold to pension funds, money market funds, and others, as supposedly safe investments. The tranches that did not qualify as triple-A were then often pooled and res securitized into collateralized debt obligations (CDOs), producing yet more triple-A tranches,

and some of these CDOs were resecuritized into CDOs-squared, or CDOs containing other CDOs, which naturally had their own triple-A tranches. This process of turning sows' ears into silk purses produced a string of securities whose value began to vaporize at the first hint of trouble in the real estate markets.

This scam was repeated with all sorts of debt, from credit cards to corporate loans, creating a giant pyramid scheme of "assets" which could be bought and sold as if they had value. This securitization scheme allowed the debt in the economy to rise rapidly, and was the reason why individuals were able to get their credit limits raised when they maxed out their credit cards, and borrow the money to buy cars; the reason why private equity firms were able to borrow billions of dollars for takeovers; and the reason corporations were able to borrow billions of dollars to finance their operations. While the details vary, the overall process of the securitization of debt—the conversion of debts into assets—is what provided the illusion that the economy still functioned.

Save the Paper

With the market for MBS, CDOs, and other paper drying up, the question of rolling over the mountain of existing debt now moves to center stage. Without new credit, the debts cannot be rolled over, and thus defaults will soar, blowing out not only the debt markets but also the credit derivatives market.

The central banks are desperately trying to buy time to figure out what to do. The rescue operations so far, including the injection of \$500 billion into the banking system by the European Central Bank in December, seem mainly designed to preserve the fictitious values of mortgage-related securities by reducing the need for the holders of such instruments to sell them.

The nature of this problem was revealed last Summer when Merrill Lynch and Lehman Brothers tried to sell the collateral they seized from the troubled Bear Stearns hedge funds, only to find themselves getting offers as low as 20 cents per dollar of book value. By establishing such a low market price, the banks effectively undercut the valuations of all similar instruments, triggering a vicious cycle of writedowns. As the holders of these securities write them down, their own net worth drops, prompting their creditors to issue margin calls—which in turn, prompts another round of asset sales to raise the money to pay creditors.

It appears that the central banks are trying to alleviate this problem by taking in much of this bad paper as collateral for loans, and there is talk of the central banks becoming buyers of last resort in order to protect the banks. The insolvency of the banking system is being openly discussed in the media, reflecting discussions underway between financial and political circles, with notable British spokesmen publicly floating the idea that the governments will

have to step in and bail out the banks.

"Governments will almost certainly have to intervene directly to put a floor under mortgage values, thereby underwriting the solvency, as well as the liquidity, of banks.... Government intervention will become inevitable to underwrite the solvency, as well as the liquidity, of the banks," the *London Times'* Anatole Kaletsky wrote Dec. 17.

Kaletsky's comments came the day after former Fed chairman Sir Alan Greenspan told ABC's "This Week" that the Federal government should provide direct help to homeowners threatened by foreclosure.

John Dizard of the *Financial Times* noted on Dec. 17, that one of the key features of the Term Auction Facility set up by the Fed was the creation of inter-bank swap lines which allow the European Central Bank and other central banks to draw dollars from the Fed. Dizard suggested that as the ECB is not as restricted as the Fed in the types of collateral it could accept for loans, that the intent is to allow the central banks to buy up worthless dollar-denominated securities, to obviate the need to sell them on the open market.

The *Washington Post's* Steven Pearlstein said much the same thing Dec. 19, writing that the ECB's injection was "not only \$500 billion, but \$500 billion lent against almost any collateral, including a handwritten IOU from Uncle Ludwig in Dusseldorf."

The problem of preventing this vicious spiral of asset writedowns was also addressed by Bank of England markets director Paul Tucker, who called it a "vicious circle," and by New York Fed chief Tim Geithner, who warned of an "adverse self-reinforcing dynamic." These comments were reported by Ambrose Evans-Pritchard in the Dec. 23 *Sunday Telegraph*. Evans-Pritchard also said that the Fed is looking at provisions in the Federal Reserve Act which would enable it to act as a lender of last resort.

According to a 2004 Fed study, the Federal Reserve Act allows for the Fed to "lend directly to individuals, partnerships and corporations" in "unusual and exigent circumstances," when adequate credit is not available from other banking institutions.

Time for the Firewalls

The meaning of these statements is clear: the people running the financial system intend to protect their own power and as much of their money as they can, by dumping the losses on the taxpayers. Rather than admit that their system has died and take their losses—both in terms of money and power—the bankers are determined to hold on, to bankrupt the government and impose savage austerity upon the population, choosing their fictitious values over the future of humanity. The real tragedy here is not that they would make such a choice, but that the citizens would let them get away with it. They are what they are. The real question is, what will we do?



www.larouchepac.com

LaRouche Webcast: Surviving The Greatest Financial Crash Ever

January 17, 1 P.M. ^{EASTERN TIME} Washington, D.C., www.larouchepac.com

January 6, 2008 (LPAC)--On Jan. 17, 2008, Lyndon LaRouche will deliver his latest in a series of international webcasts designed to educate the public and policymakers on the most important event of our time, the collapse of the international economic and financial system. This crash has already occurred, with well over \$1 trillion in asset valuations having vaporized in the past few months, with many trillions more to follow. The battle is raging behind the scenes, in New York, Washington, London and other capitals, about the nature of the system which will now be put into place. On the one side are the forces rallied around Lyndon LaRouche and his Homeowners and Bank Protection Act, fighting to put up emergency firewalls to protect the welfare of the population by stopping home foreclosures, and stopping the disintegration of the banking system by putting it through an orderly bankruptcy process to separate valid claims from speculative bets. On the other side are the central banks of the Anglo-Dutch rentier-financier system, which seek to preserve their own power by dumping their financial losses on the taxpayers, effectively putting the nations themselves into bankruptcy.

In his previous webcast on July 25, 2007, LaRouche stated:

"The world monetary financial system is actually now currently in the process of disintegrating. There's nothing mysterious about this; I've talked about it for some time, it's been in progress, it's not abating. What's listed as stock values and market values in the financial markets internationally is bunk! These are purely fictitious beliefs. There's no truth to it; the fakery is enormous. There is no possibility of a non-collapse of the present financial system--none! It's finished, now! The present financial system can not continue to exist under any circumstances, under any Presidency, under any leadership, or any leadership of nations. Only a fundamental and sudden

change in the world monetary financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don't know, but it will go on, and it will be unstoppable! And the longer it goes on before coming to an end, the worse things will get. And there is no one in the present institutions of government who is competent to deal with this. The Congress, the Senate, the House of Representatives is not currently competent to deal with this."

As LaRouche delivered his remarks, the ramifications of this collapse were being felt worldwide. For some four decades, the economy of the United States has been operating at a net loss, with the difference made up by debt. One of the key features of this process was the securitization of debt into assets which could be traded and speculated upon as if they had value, and this debt machine was in turn largely dependent upon ever-increasing flows from the home mortgage market to feed the growing market in mortgage-backed securities, CDOs, and related items. In 2003, there were \$3 in mortgage-related securities issued for every \$1 of new mortgage money. This scheme blew up last year, and has thrown the global financial system into chaos.

Now the U.S. Treasury, the Federal Reserve, and the central banks of Europe are engaged in an effort to limit the damage to the financiers by having the governments move to stabilize the values of speculative bets, instead of protecting the welfare of the public by putting the financial system through bankruptcy.

While the financial technocrats work feverishly to save the tumor, the politicians are doing nothing. The Presidential candidates are engaged in rhetorical debates about how much "change" can fit on a pinhead, while the whole world burns.

Your future, literally, depends upon the outcome of this fight. Tune in to the LaRouche webcast at www.larouchepac.com on Jan. 17 and find out what you can do to save the nation.

LaRouche PAC On the Internet: www.larouchepac.com Call toll-free: **1-800-929-7566**

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LLPPR-2008-001

The Homeowners and Bank Protection Act of 2007

Save the Homeowners, and the Banks!

In August 2007, while many Americans were choosing where to vacation, which movie to see, or which gender their Second Life avatar would be, Lyndon LaRouche *acted* to save the American people, and the physical economy, from sharing the same fate as the world financial system (i.e., death). LaRouche drafted a proposed piece of legislation for the Congress, which would create a firewall of protection for people, and banks, from the sweeping foreclosure crisis resulting from the collapse of the housing bubble. His legislation, dubbed the Homeowners and Bank Protection Act, is, still today, the only proposal on the table that will actually prevent the millions of anticipated home foreclosures, and, importantly, reorganize the presently dead banking system as well. Other "official" proposals, as in the tradition of providing CPR to a corpse, have simply continued to bail out the banks, when what is required is a *systemic change* in our financial system.

Here are the essential features of the Homeowners and Bank Protection Act of 2007:

1. Congress must establish a Federal agency to place the Federal and state chartered banks under protection, freezing all existing home mortgages for a period of however many months or years are required to adjust the values to fair prices, restructure existing mortgages at appropriate interest rates, and write off all of the cancerous speculative debt obligations of mortgage-backed securities, derivatives and other forms of Ponzi schemes that have pushed the banking system into bankruptcy.

2. During this transitional period, all foreclosures shall be frozen, allowing American families to retain their homes. Monthly payments, the effective equivalent of rental payments, shall be made to designated banks, which can then use the funds as collateral for normal lending practices, thus recapitalizing the banking system. Ultimately, these affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. It is to be expected that this shakeout of the housing market will take several years to achieve. In this interim period, no homeowner shall be evicted from his or her property, and the Federal and state chartered banks shall be protected, so they can resume the traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.

3. State governors shall assume the administrative responsibilities for implementing the program, including the "rental" assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.

In the four months since LaRouche put forward this proposal, 250,000 families have lost their homes, an increase of 100% above the previous four-month period, and the central banks of the world have injected an estimated \$2 trillion of liquidity into the banking system, all to no avail. On the national stage, while there is much *discussion* of LaRouche's proposal, there is little *action*, although Senator Clinton's remarks point in a useful direction. As the foreclosure rates mount, and home values plummet, cities and counties are finding their property tax base disappearing, and the nation's largest state, California, has been declared to be in a state of "fiscal emergency," by the governor. The freezing of foreclosures, along with protection for banks, is the vital *first step* in a thorough economic reorganization.

Follow-up steps would involve the Federal Reserve System itself, being put through bankruptcy reorganization, and transformed into a Third National Bank of the United States. As developed in Lyndon LaRouche's September 2007 draft platform for the Democratic Party, these actions shall be complemented by the creation, by treaty agreement among leading nation-states, of a new Bretton Woods System, based on fixed exchange rates, and long-term treaty agreements for large-scale development projects on a global scale.

Through intense organizing by LPAC, hundreds of state and local elected officials from around the nation have personally endorsed the HBPA, dozens of city councils have passed resolutions in support, and it stands introduced into the legislatures of, at this point of writing, six states, and is pending introduction in many more. But this is not enough.

LaRouche said the foreclosure tsunami is occurring, not because of a mere housing crisis, or mortgage crisis, but the death of the entire global financial system. There is no resuscitation for this system--only a legislative firewall, created now, to protect the general welfare, will work. The alternative, as the likes of Felix Rohatyn and George Shultz would enjoy, is a new British Empire, involving dark age and war, where the *globalized* British Empire is on top, and the masses of jobless, homeless people, lowing like cattle, are on the bottom.