

Why the universe needs us to implement Glass-Steagall

Helga Zepp-LaRouche Keynote to CEC Australia 25th Anniversary Conference, May 18, 2013

MODERATOR: Helga, you're loud and clear. So, welcome to Australia via cyperspace. And just by way of introduction, Helga is the chairwoman of the international Schiller Institute; and just recently a number of us had the privilege of going to Germany and participating in the last of a series of conferences.

So Helga has made some time to address our conference and update us on the extremely important breaking developments that are happening in the world today. The main theme of our conference, of course, is the work of Nikolaus of Cusa, as you've seen from the written material that we've sent out to everyone, and Helga is a scholar in Nikolaus of Cusa, someone who's brought Nikolaus of Cusa to life, literally, throughout the world in the last many, many years.

So without any further introduction, I'd like to welcome Helga to our conference. And after you've give your address, we've invited people to come forward and ask as many question as they can. So, welcome to Australia. [applause]

HELGA ZEPP-LAROUCHE: Well, I'm obviously very happy to greet you for your 25th anniversary national conference, especially naturally on a day like today: Because, as you know we had the extremely happy occasion that a major step towards saving civilisation from the brink of the abyss was taken yesterday [May 16th], when Sen. Tom Harkins introduced into the United States Senate the Glass-Steagall Act, and exactly in the tradition of the Glass-Steagall Act of 1933 and Franklin D. Roosevelt.

Now, the same bill, almost word by word had previously been introduced in the Congress, the so-called Kaptur-Jones bill, which by now has 62 cosponsors. Now, the fact that now the Senate has almost the same exact bill, means that the global fight for Glass-Steagall has really gotten into a winning proposition. Now, the same day, yesterday, Illinois was the 20th state of the 50 states of the United States, which introduced the resolution for Glass-Steagall urging their Congressional delegation to support Glass-Steagall. Now, also yesterday, the Regional Council of Tuscany, the region in Italy, introduced a similar resolution—which makes me also very happy, because it's a sign that Europe, despite all of its troubles, is not dead, but is alive and fighting.

And the fact that there was this identical bill in both houses of the U.S. Congress means that this is now a very serious proposition, because in the United States, it's generally understood that if you have a bill in both houses, then it's not just "a bill," but it is a serious proposal to actually be voted on and enacted on.

Now, obviously, this does not yet mean that we have won the fight, but it means *the war can be won!* I mean, it's a completely different universe from the day before yesterday and yesterday, and I can say very, very proudly, that the absolutely lion's share for this policy to come that far, is going to our international movement. Because the name "Glass-Steagall," for example, two or three years ago in Europe was completely unknown, the notion of separation of the banks was equally unknown, and now, very serious forces around the globe, in Europe, in the United States, in Asia, and obviously also in Australia, are really fighting very hard to get Glass-Steagall implemented.

Now, I can report to you from those who did the work in



Helga Zepp-LaRouche addressing the CEC conference.

the Congress and the state legislatures, that there is right now a completely changed, much more serious mood among those who are voting for it, or are giving their name to it, because they know this is not just banking reform, curbing high-risk speculation, but this is the first step to the absolutely necessary going back to the American System of economy, in the tradition of Alexander Hamilton. Obviously, American System of economy means not just credit system, it means the principles of the American Constitution, the absolute sacredness of national sovereignty, it means the idea of the common good, not only for this generation but for generations to come, are being upheld again.

Now, this is a major, major step in the direction for the survival of civilisation, because most of you know that my husband, Mr. Lyndon LaRouche, has said very many times in the recent years, that without Glass-Steagall there is absolutely no chance that mankind is able to escape the danger of its extinction. This breakthrough in the U.S. Senate, is only the first moment, but it comes not one moment too early, because the world right now is hanging on the edge of a total blowout of the global financial system, which immediately would mean a plunge into global chaos and a dark age. And absolutely related to this pending blowout of the financial system, we are still, as we are talking here to each other, on the verge of thermonuclear war.

Now, the present global financial crisis obviously didn't start yesterday, but it is the end result of the paradigm shift which occurred 40 to 50 years ago, the shift away from production, away from science and technology, towards fast money, "money makes money" on the markets, to the idea of high-risk speculation. But this present paradigm-shift was obviously escalated with the repeal of Glass-Steagall in 1999.

So the present condition of the world, is therefore the result of the efforts of the British Empire to undermine the idea of national sovereignty, the legacy of Franklin D. Roosevelt, and so forth. And when I say "British Empire," I do not only mean the nominal British influence through the Commonwealth, which you in Australia are obviously extremely, painfully aware of, but I mean that power of globalisation which has emerged after the collapse of the Soviet Union. The conglomerate of independent, or not so independent central banks, investment banks, hedge

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funds, insurance companies, private equity funds, locusts of all kinds, and basically the idea of the world empire which was really created after the collapse of the Soviet Union, by Margaret Thatcher and Bush Sr., whereby they had the idea to create an Anglo-American empire based on the Anglo-American special relationship, and have proceeded ever since, to eliminate any obstacle to this empire.

And the means by which they proceeded were rather nasty: They had the idea of “regime change” against any country which would not submit by free will; they were pursuing the so-called “coloured revolutions” against many countries of the former Comecon [Soviet-allied Council for Mutual Economic Assistance] and Soviet bloc; they were working, as it now is coming out in tremendous scandals, with terrorist rebels in order to overthrow legitimate governments around the world, and they are finally targeting those two countries which naturally have to be absorbed, if the empire is to be completed, and that is, Russia and China, and they are doing so at the risk of a thermonuclear war.

Now, the financial side, which went along with this building of the empire, was on the one side, based on the greed for money and power, of a significant minority of the oligarchy. But there were two factors involved: One is, naturally, a depraved financial oligarchy, which has no other interest than the maximisation of their profit at the expense, literally, of the happiness of billions of people, at the lives of many millions of people already. But there is this second factor, and that is, an oligarchy centred on the British Monarchy, which indeed wants to reduce the world population from 7 to 1 billion people. And that has been explicitly stated by such creatures as Prince Philip.

Now, we are on the edge of a blowout of this system, and that makes the present situation so extremely dangerous. The CEO of the largest asset-management firm in the world PIMCO, Bill Gross, basically said recently that the entire world financial system is nothing but a gigantic Ponzi scheme, a chain-letter which eventually will blow up. And this chain-letter is about to disintegrate in a super-nova, I mean, this phenomenon when stars die. And a German economic newsletter commented on this PIMCO statement, by saying that the aggressive light which goes along with the super-nova when a star dies, is at the point of its extinction, is practically the same as the irrational exuberance which you can see in the stock markets right now, where all the bourses are going up wildly to record highs, all based on hot air and virtual money. And what Bill Gross then basically said, that after the super-nova explosion occurs, after that... there is nothing.

Now, it happens to be that this nothing, in the real world means a lot of dead people, it means billions of people schedule to die.

Now, if you look at the trans-Atlantic region, it's hopelessly bankrupt. The Eurozone is at a point of disintegration and total crisis, and right now, you have the end phase of something which happened after '89 into '92, namely that the euro, this completely artificial currency, which is absolutely not based on an optimal currency zone, but which unites countries which are completely different—you have highly industrialized countries like Germany, you have agrarian states, like Greece or Portugal, and they could never work. So the euro, from the beginning was not intended to make Europe strong, in the face of the emerging powers of the BRIC, for example; but it was from the beginning, meant to destroy Europe on behalf of the British Empire.

Now, the euro was imposed, supposedly, as the price for



Left, Margaret Thatcher and George Bush Sr. ushered in a new world empire after the collapse of the Soviet Union. Right, The British Monarchy want to reduce the world population from 7 to 1 billion people.

German unification. And the EU from that moment on, the latest became what the British Empire wanted, namely the regional European expression of the British Empire, and that was stated explicitly in one article, some years ago, by Ambrose Evans-Pritchard of the *Daily Telegraph*, who basically admitted that the Brussels policy is the perfect carrying out of what London's policy is, and that advisor of [EU foreign policy representative] Lady Ashton, Robert Cooper, said shamelessly that the European Union is the largest imperial extension in history.

Now, this was not meant to become a strong continent, but it was meant to return Europe to a feudal condition. Now, Jacques Attali, the advisor of [the late French President] Mitterrand, who was one of the culprits in the creation of the euro, basically admitted that the euro was created deliberately with a birth defect; that it was clear that a monetary union would not be possible without a political union, and that sooner or later, it would come to an existential crisis of the euro, and then that crisis could be used to enforce the political union. And that is exactly the point where we are at now.

The euro and the EU are at the point of collapse, and the people of Europe and the institutions are threatened with a gun to their head: Either you accept a full-fledged EU dictatorship, or the EU and the euro will collapse and disintegrate in a chaotic way.

Now you have a situation where the so-called permanent bailout mechanism, the ESM, presently has only EU700 billion, which, in light of what is at stake is the proverbial peanuts. So therefore, there is a big push to establish a banking union and the collectivisation of the debt, which naturally the Germans should pay, because Germany is the only major country in Europe which still has a net surplus. So, as a result of the continuous bailout policies since actually 2008, the European bank debt is at a whopping EU9.3 trillion, and the state debt is at EU3.4 trillion. That means there is an immediate money requirement of EU12.7 trillion, as compared to the meager EU700 billion in the European Stability Mechanism (ESM).

So therefore, what they're now coming up with is the so-called “Cyprus template” which we saw, when basically the Cyprus parliament has rejected the draconian cuts, it became clear that they really want to have an expropriation of the deposits of the depositors in both savings banks and business accounts, even under EU100,000. The Parliament rejected it, and they said, “okay, only above EU100,000,” but that is really just a preliminary step, because when [German Chancellor] Merkel after the explosion of the financial crisis after Lehman Brothers, had promised state guarantee for every asset in the banks up to EU100,000—now, it becomes clear that this is obviously not enough, and recently *Focus* magazine admitted that if it comes to a crisis, then every asset in the bank—savings bank, business account, giro account, from EU1 upward is really a target.

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The Cyprus model of bailing in banks is now the global template.

groan under the debt burden! And they say, the “road to slavery is opened.”

Now, if you look at what this empire is doing to Europe, the central banks all over the world, the Bank of England, the European Central Bank (ECB), the Federal Reserve, the Bank of Japan, they are going for “quantitative easing” which means hyperinflation, just printing as much money as you need, but, in combination with brutal austerity—and, the “bail-in,” which means access to the assets in the banks.

Now, this is the expropriation of the life-savings of the people, in the most brutal form, and it means in practice, genocide. In Southern Europe, it is absolutely clear, that what is happening is genocide. The UN representative for human rights denounced the policy of the Troika as a severe human rights violation. The former Presidential candidate of the Socialist Party in Portugal, Manuel Alegre, recently gave a very shocking interview, where he said that, we in Europe are already all living in a concentration camp, that it would be a complete illusion for some to think that it will not hit them, just because some others are already marched away to die; because if they don't act now, this will be the fate of all of us.

Now, there is a new book out in the United States, by David Stuckler and Sanjay Basu, *Why Austerity Kills*, and it is a quite useful discussion, not new, but it just confirms what we have said many, many times that there is a direct correlation between unemployment and suicides. That politicians have little regard for the human cost of their decisions, that the fiscal policy is a matter of life and death: For example, in Greece, the health budget was cut by 40% since 2008 by the Troika; 35,000 doctors and nurses have lost their jobs; infant mortality has gone up by 40%; malaria returned, cancer patients have to wait 18 months before they can get surgery, which some don't make it that far; youth unemployment in Greece is now at 64.2%, in Spain and Portugal, it is above 50%. Worldwide, more than 1 billion people are either unemployed or underemployed, and obviously this is the biggest cost to the world economy, and it is deliberate to shrink the real economy and to reduce the capacity for civilisation.

Now, the price of austerity can be calculated in numbers of human lives it costs. The monetarist austerity which puts the profit of the banks as more important than human life is killing people. If you add the Green paradigm to that, which has the same effect, you can really see that there is a conscious effort to reduce population. For example, the speculation in food, in biofuels, the reduction of food supplies worldwide, is already shrinking the world food supplies below the level needed to maintain the present number of people. To fill one tank of 50 litres of biofuels, you need 352 kg of corn on which a child in Mexico or Africa can live one full year. So, the person who is filling his tank once is killing a child in the Third World.

The 10 largest food conglomerates control 85% of all food

trade worldwide and they are culprits, together with the banks in this policy.

The World Bank has admitted that there are 1.2 billion people living in extreme poverty, and when the price for corn goes up by 63% in two years, which it just recently did, many people die because they can not afford it any more. Egypt, a major country in Africa and in Asia, where 50% of the people live on or below the poverty line, these people now have to spend 85% of their income on food. And naturally, the mortality rate is going up.

So there is genocide all over the place. And everybody can see it. The crime which is developing before the eyes of the world public is so gigantic that it is an outrage why more people are not saying so, when they are being murdered just as in the concentration camps.

Fortunately, the Pope made a very important intervention with a recent speech, where he made a very strong condemnation of the tyranny of the present financial system, which he says, has induced fear and desperation in the hearts of many people, for whom the joy of life has vanished. What has increased is indecency and violence are on the rise. And he says, all of this has its origin in a very profound human crisis. It reduces men and women to consumer goods which can be used and thrown away.

Now, just think about the human trafficking of prostitutes from Asia, from Eastern Europe, or think about the trafficking in human organs, which poor people are supposed to sell in order to live; or think about the absolute undignified working conditions in places like Bangladesh, where people indeed are working for slave-labor wages and in safety conditions where they die by the hundreds if these buildings collapse.

Now, the Pope says, furthermore, that the financiers presently consider God as dangerous, because He calls for man to have his full centre as a human person, and is calling for independence from any kind of slavery. Therefore, the Pope appeals for a financial reform, and calls for a courageous change in attitude on the part of political leaders in the world. And I think this should be used to the widest, because not one Catholic and not one Protestant, not one Christian, or not one believer in any other great religion should not have to miss listening to this appeal.

Now the change in attitude we see emerging, but it is obviously sufficient, but there is worldwide a pre-revolutionary, and in some places even a revolutionary, situation developing. For example, the mood in the United States is to go back to the American System of economy, and the motion for Glass-Steagall is only the first step. There is a growing targetting of Obama for impeachment: Afro-American leaders are turning away from Obama, by saying that, he has created conditions worse than under Bush! Important Afro-American leaders like Cornel West accused Obama of war crimes. The Afro-Americans are turning away, but also progressive Democrats and many others.

Now you have the eruption of several important scandals: The Benghazi scandal, which will eventually unearth the real reasons for the murder of Ambassador Stevens and three other Americans. Now, what will come out, as my humble guess, is, that what is really at stake in the Benghazi affair, is that the policy which was started by Brzezinski in the '70s and in the '80s, namely to train radical Muslims, the mujahideen for the war against the Soviet Union in Afghanistan, is now modified in the form that the Anglo-American empire is working consciously with terrorist rebels in order to effect their policy of regime-change, as we have seen it in Iraq, Libya, and now threatening in Syria.

Now, this will come out in the hearings, I'm sure, but there are also many other scandals. The famous IRS scandal, where the administration used the IRS to target opponent groups, which

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This *Boston Herald* coverage is typical of the momentum building against Obama. naturally makes the population most upset, because it is their pocket which is at stake. Then, the AP scandal, which touches on the First Amendment and which has turned the entire media corps against Obama. Then, still lurking, you have “Fast & Furious” the scandal of the gun-running to the Mexican drug mafia. Not to mention the other scandals which right now are not in the foreground, but which could become, which is the drone killings, which has killed more than 5,000 people, including collateral damage in the form of the deaths of civilians. The rule by Executive Order, bypassing Congress; the declaration of war without authorization of Congress; the killing of Americans and others without due process.

So, to sum it all up, I think Congressman Issa has done that in the best way, by saying, “the problem with this administration is that they regard themselves as being above the law,” and naturally, President Obama does not feel obliged by the American Constitution, but rather what he learns from the Queen, Blair, Cameron, and such people.

Now, the world, in addition, is on the verge of World War III, until you have a dramatic change in government in the United States. This again, is the result of the British Empire policy. When the Soviet Union collapsed and the fall of the [Berlin] Wall meant there was de facto no more enemy, this was a historical chance to establish a peace order for the 21st century. The LaRouche movement at that point proposed a concrete plan to unite Eurasia through the Productive Triangle, and then through the Eurasian Land-Bridge, and labor on through the World Land-Bridge. But unfortunately, the neo-cons emerged in the United States, a totally Anglophile formation declaring the “New American Century” doctrine, which was then implemented by Bush Sr., and Thatcher, and which has lasted essentially ever since, with only a certain exception in the eight Clinton years.

So what that meant for Europe was the introduction of the euro as a containment against Germany, and what it meant for the rest was that the EU and NATO went into the direction of the East extension, the encirclement of Russia as if the Cold War were still in place.

There was no reason, why in '91, one could not have asked Russia to join NATO, or to dissolve it, because there was no more enemy. But, it went in the direction of the empire, and therefore, the U.S. ballistic missile defense system, which later was developed by Bush Jr., in Poland, in Czechia, in Spain, and recently in Turkey, was clearly aimed at eliminating the second strike capability of Russia, and later of China. And this is com-

pletely understood by Russia and China, that that is the intent.

There was a recent study of the *Strategic Studies Quarterly*, “The New Era of Nuclear Weapons,” in which they basically assert, that because of recent technological innovations, it would be possible to conduct “decapitating strikes” against the nuclear arsenal of opponents, that because of the emergence of very precise guidance systems, and new reconnaissance technologies, it would be possible to take out the nuclear weapons of an opponent without nuclear fallout. Therefore, the rules of the Cold War, that any use of nuclear weapons would lead to the Mutual Assured Destruction of everybody, would no longer be valid, and therefore, nuclear weapons could be used.

Now, this article, in my view, was the most candid admission of what the present doctrine of the United States, Great Britain, and NATO is. And it is very obvious that the U.S. ABM system in Eastern Europe is part of this, as is the deployment of Patriots to Turkey, and that behind the so-called “Asian pivot” policy of the Obama Administration is exactly the same thing.

You have pinpointed in the *New Citizen* very clearly, that Australia is being turned, essentially, into a military base for an upcoming thermonuclear conflict with China, which according to some who are thinking in the tradition of Dick Cheney, believe that the emergence of a future economic competitor in the world market has to be prevented by all means, and that therefore such a confrontation is legitimate. Which, by the way, was the same reason why the Soviet Union underwent shock therapy after '91, in order to prevent Russia from ever becoming an economic competitor on the world market.

So therefore, the same process which began in the '90s in Australia, in turning Australia into basically a base for such a deployment, a period in which the European Union was turned into an empire, this all coincided with the policies of the former [Australian] Deputy Defense Secretary Hugh White, a policy which was updated by Obama during his 2011 trip Asia, where the decision and the deal was made for a permanent deployment of 2,500 U.S. Marines in Darwin.

Recently, that policy which is steadily being pursued, came to the edge of the thermonuclear abyss, when Israel some weeks ago, launched two military strikes into Syria, which was clearly an act of war, and where the danger existed that Syria could have answered by a counterstrike. At that point, the danger was very acute that this would turn into a large regional war, and potentially the large thermonuclear war. And only because there was a concerted intervention by the American Chiefs of Staff, and by some others, it was stopped for the time being. From very reliable sources, we learned that what was behind this Israeli strike was their idea that a strike against Iran will take place some time this year. And that they wanted to get all possible allies of Iran in such an event out, by destroying weapons depots for the Hezbollah, or Hamas, and it was so hot, that at that point, in an unprecedented move, Carla Del Ponte declared that there were chemical weapons used in Syria, but not by the Assad government, but by the rebels. And that completely took the wind out of the sails of such people as McCain and Lindsey Graham who had basically argued that the “red line” mentioned by Obama had already been crossed.

So, that buildup still continues, and the decision of the British to redeploy in a big way into the entire Southwest Asian region, east of Suez, which was revealed by a report from the Royal United Services Institute (RUSI), this is bringing the world to a hair-trigger from a thermonuclear extinction. And the world will not be safe, as long as the Empire exists, and we should not let down our awareness for one second. Because they can create