

Bailout or Bail-in: The Queen's Policy Is Genocide

by Dennis Small

June 3—*Those who doubt that the current policy of the G20 nations, adopted in April 2009, and being carried out through the European Union and the Dodd-Frank bill in the United States, is genocide, need only look at the magnitude of the numbers. Through their commitment to save “financial stability” by rescuing any troubled Global Systemically Important Financial Institutions (G-SIFIs), these agents of the global financial empire are committed to preserving the claims of speculators that amount to the range of over \$1.6 quadrillion. Yet even if the full powers of government bailouts and depositor bail-ins were exercised, the loot would amount to no more than 1% of that amount.*

By putting the priority on saving the major international predator banks, and their holdings of cancerous financial derivatives, the global system is not going to make any institution “solvent.” Rather, it is simply going to sacrifice millions, or billions, of lives—in the same way that genocide is already being carried out through the shutdown of the Greek economy, and cuts in services there.

*Lyndon LaRouche said this was going to happen. The debt being generated by the global speculative money system can **never** be paid, and should never be paid. However, the efforts to save the banking institutions will fulfill the intention of the current heirs of the Roman Empire: to reduce the world's population to a “sustainable” size—the size by which they believe they can sustain their empire, approximately 1 billion.*

Last week, EIR looked in detail at the mechanisms that have been put into U.S. law to carry out this objective. This week, we step back to review the global picture, where the intention is even clearer.

LaRouche Warned

When the international financial bubble exploded in 2007 and 2008, two highly significant things happened. First, Lyndon LaRouche, who had forecast that

this financial explosion would occur weeks before it actually occurred—he spoke of this on July 25, 2007—when the visible explosion occurred in 2008, said that there had to be a bankruptcy reorganization of the entire international financial system, which had entered into a breakdown crisis of the existing system. And that this reorganization had to include the restoration of the 1933 Glass-Steagall Act of President Franklin Delano Roosevelt.

LaRouche's warnings and recommendations were disregarded, and what happened instead, was that, in the international financial centers whose headquarters are in the City of London, with branch offices on Wall Street, it was decided that they would bail out the speculative cancer instead. Logical enough, since they are the owners of that cancer. It's sort of like going to a doctor when you have an oncological problem, and realizing that the “doctor” sitting behind the desk is the cancer itself.

So what the international financial centers did as a matter of policy, beginning in 2008, was to first carry out a series of financial bailouts of astounding proportions. For starters, so-called “quantitative easing” from 2008 to 2012 added up to some \$4.5 trillion in bailouts, as can be seen in **Figure 1**.

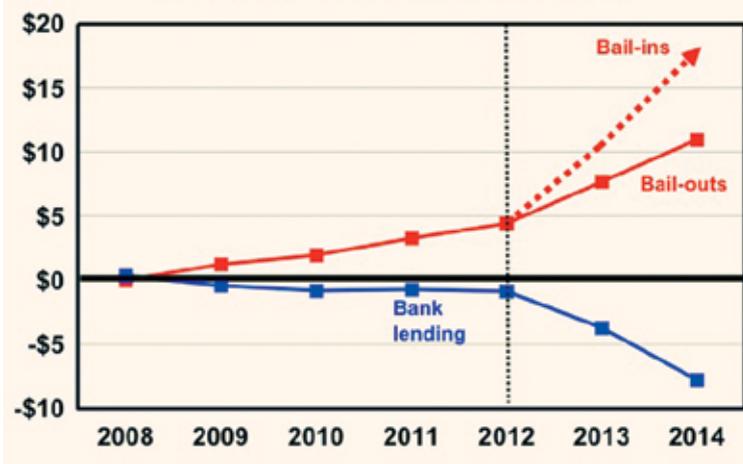
But that's not all. Moving forward, the prescription issued by Dr. Cancer is to keep feeding the cancer, to keep going with quantitative easing, only now at a rate that is going to reach the level—based on what is already being done by the U.S. Federal Reserve, the European Central Bank, the Bank of England, and the Bank of Japan—of about \$11 trillion of purely speculative quantitative easing by the end of 2014.

And of course, at the same time, they are imposing dramatic austerity and cuts in living standards and state budgets of the countries that are part of the trans-Atlantic financial sector. So that's \$11 trillion by the end of 2014.

FIGURE 1

Hyperinflation Run Amok

(trillions of dollars, cumulative change)



Add the Bail-In

But even that wasn't enough. Back in 2009 or so, the same owners of the cancer realized that this wasn't sufficient, that it wasn't going to do the trick, and they began to activate what is now known by the quaint name of, not "bailout," but "bail-in."

The policy direction for this operation of so-called bail-ins comes directly from the Queen of England. It comes from the British Commonwealth, and it was imposed on the Group of 20 nations at the infamous G20 meeting held in London in 2009, the first attended by Barack Obama. Such a bail-in was then carried out in the case of Cyprus, and it became known as the "Cyprus template."

What does "bail-in" mean? The bottom line is that it means outright armed robbery against the deposits of account holders in the banks. They are called "unsecured creditors," and they are the ones who were virtually expropriated in Cyprus, by order to the EU. Now the EU has imposed the same thing that they did in Cyprus by tricking people in Spain, such as in the case of Bankia bank and others, to trade in their deposits in exchange for so-called *preferentes*—stocks in the bank. And then it turned out that

people had become owners of a bank which, suddenly, was worth absolutely nothing, and they lost everything (see following article).

The bail-in policy of the Queen of England and her friends on Wall Street and the City of London, is the Cyprus template applied to the entire planet. And it is the existing policy in the United States, as codified in the Dodd-Frank Act; it is the existing policy in Europe, with laws that are in the process of being adopted by the European Parliament, and what the IMF, the European Commission, and the ECB—the infamous Troika—are implementing.

The amount of money that they intend to steal through bail-ins would add another \$7 trillion, on top of the \$11 trillion of purely speculative quantitative easing. So we are

talking about a total, therefore, by the end of 2014, of some \$18 trillion in pure speculative robbery, in order to feed the cancer.

Question: Is it going to work?

Answer: Of course not!

Look at It from the Top

Because the total amount of world financial aggregates, the size of the entire cancer, is, according to *EIR's* best estimates, about \$1.6 quadrillion. As you can see in **Figure 2**, if you look at the total financial

FIGURE 3

World Financial Aggregates

(quadrillions of dollars)

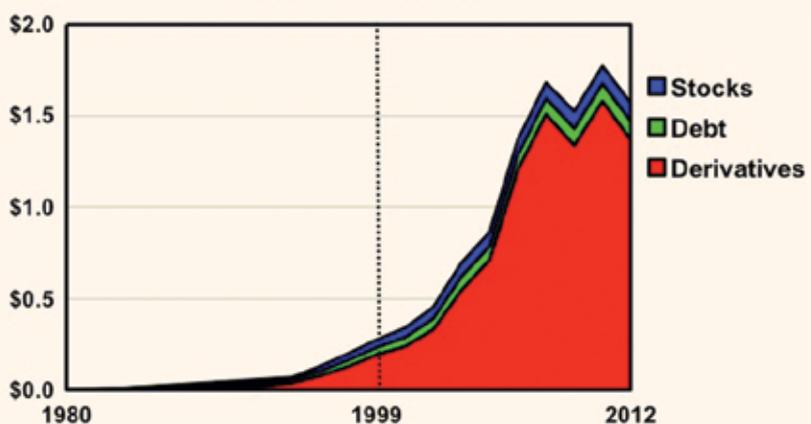
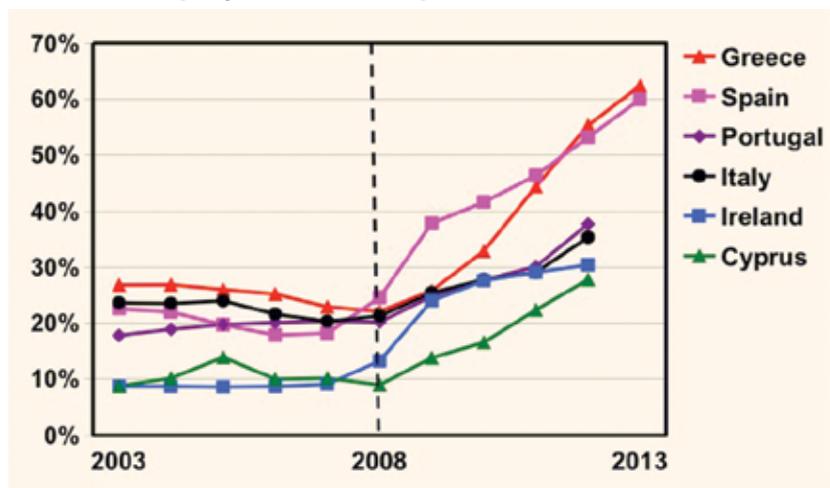


FIGURE 3

Youth Unemployment in Europe



have a future for its youth, itself has no future and has been bestialized. And what we have seen is that, during this same period, from 2008 to 2012, while the quantitative easing was going on, youth unemployment in Europe has basically doubled, from about 20 to 40% (Figure 3). Greece has already exceeded 60% youth unemployment, and Spain is rapidly approaching that level of 60%.

This is unacceptable. This is inhuman. This is a concentration camp. And it is the future that awaits us all under this system, if we don't change it.

What Must Be Done

Now, it can be changed, it must be changed, and for many years LaRouche has not only forecast this disintegration, he has also indicated what the solution is.

aggregates, the components of stocks, and of public, private, foreign, and domestic debts, as large as they are, are only some \$200 trillion—nothing, compared to the derivatives, the speculative instruments which comprise about 90% of all world financial aggregates.

Now, \$1.6 quadrillion is 100 times larger than the total amount of bailouts and bail-ins combined. A bailout/bail-in involving just 1% of the total size of the financial bubble is absurd. It is not going to work. It cannot work. This system is coming down, like it or not. So the policy doesn't work for an actual bailout.

But what it does work for—and this is the intentional policy of the British monarchy and its friends on Wall Street and the City of London—is to kill people. Because in addition to the financial looting, what is going on to try to maintain this bubble, is a drastic reduction in the level of employment, in the standard of living, in the very existence of the population. What it has worked for, and it has worked very well indeed, is to turn Europe into the equivalent of the concentration camps of Nazi Germany, which were also imposed thanks to British financial interests.

One of the indicators or markers of this process, as those of you here know very well, is the level of unemployment, and especially youth unemployment. Because a nation that does not have productive employment, that does not have a mission, that does not

Which Are the Banks the Empire Wants To Save?

Just which are the banks that the Empire's servants in the G20 and elsewhere want to save, at the cost of your money and your life? They are the "Global Systemically Important Financial Institutions" (G-SIFIs), which produce the quadrillions in derivatives and other unpayable financial instruments that Glass-Steagall would wipe off the map.

Here is the list, as of November 2012, according to the Financial Stability Board:

Citigroup, Deutsche Bank, HSBC, JPMorgan Chase, Barclays, BNP Paribas, Bank of America, Bank of New York Mellon, Crédit Suisse, Goldman Sachs, Mitsubishi UFJ FG, Morgan Stanley, Royal Bank of Scotland, UBS, Bank of China, BBVA, Groupe BPCE, Group Crédit Agricole, ING Bank, Mizuho FG, Nordea, Santander, Société Générale, Standard Chartered, State Street, Sumitomo Mitsui FG, Unicredit Group, Wells Fargo.

What has to be done, both in the United States and internationally, is to adopt the equivalent of Franklin Roosevelt's Glass-Steagall law: an absolute, total separation between productive, commercial banking, on the one hand, and speculative investment banking, on the other. Just as was done under the Glass-Steagall law: total separation. The part involving the illegitimate speculative debt—too bad—they can fend for themselves, but they will stop stealing money from government budgets, and they will stop destroying the labor force. That part will simply be sunk: it won't be paid, it is illegitimate debt—bankruptcy reorganization.

But, in addition to Glass-Steagall, other measures are required. In the case of Spain and other European countries, these include:

Exit the euro. The euro system is a system of destruction and nothing more. The euro is finished. So we have to leave the euro and return to national currencies, whose exchange rates with other currencies are defended from financial warfare with protectionist measures, such as exchange controls, capital controls, and so forth.

So: number one, Glass-Steagall.

Number two, leave the euro and return to national currencies.

Number three, each nation must establish a state-run National Bank, along the lines prescribed by Alexander Hamilton, in order to issue productive credit for activities which yield high-technology employment. Under such directed credit, there can be a private banking sector—fine. But it cannot be parasitical; it has to participate in this project. And this means advanced technologies, such as nuclear energy. None of this anti-scientific foolishness—and it is that—such as solar and wind energy, and so forth.

International agreements must also be reached with sovereign nations that will also have left the euro, to establish a new international economic order based on fixed exchange rates, protected by exchange controls. For what? For using a credit system to launch great infrastructure projects on a world scale, which are needed to develop productivity in each and every nation.

These are the choices we face. There is no third way. Either we choose the path of Glass-Steagall and a credit system, to sink the British Queen, the City of London,

and Wall Street; or we are going to end up, as happened in the 1930s, with concentration camps such as we are already seeing in the nations of Europe—economic concentration camps where there is no future for our youth. Those are your options.

This article was adapted from a speech delivered June 2 by video to a Barcelona seminar organized by journalist Daniel Estulin on "World Government and the Bilderberg Club." The seminar also saw video presentations by Lyndon and Helga LaRouche.