
III. Europe and the New Paradigm

HELGA ZEPP-LAROUCHE REPORTS TO GERMAN CITIZENS

How Will Germany and Chancellor Merkel Emerge from the G-20 Summit?

by Helga Zepp-LaRouche

June 30—The upcoming July 7-8 G-20 Summit in Hamburg promises to be tense, and its results will be compared with the very extraordinary G-20 Summit in Hangzhou, China, last year, at which President Xi Jinping demonstrated his integrative power as a political leader in an extraordinary manner.

It will also be interesting to see how truthful the media accounts of the events will be, given that virtually the entire world, or at least a good representation of it, will be in Hamburg as guests, which will make it potentially more difficult to serve the public the usual media hoaxes.

Even the critical reader or viewer, who is now accustomed to the usual “spins” in the *Tagesthemen* [“Topics of the Day,” ARD-TV program] or *Heute-Journal* [“Today’s Journal,” ZDF-TV program] will be amazed by the following account: White House Deputy Press Secretary Sarah Sanders has just cited an investigation by the Media Research Center which found that the three American television networks ABC, CBS and NBC, in the five weeks following the appointment of Robert Mueller as Special Counsel, had given 13.5 times as much airtime in their evening news programs to negative or false reports about Russia and Trump, relative to all other subjects. From May to June they spent a total of 26 minutes reporting on tax reform, infrastructure, economy, jobs, and healthcare reform, compared to 353 minutes for attacks on Trump and false reports about Russia. Perhaps this should be kept in mind when Ms. Miosga, in the next *Tagesthemen*, talks about Trump or Putin in indignant



President Donald Trump

tones, and with her eyebrows arched up to her hairline.

To the chagrin of its perpetrators, the entire “Rus-siagate” story about alleged Russian assistance to Trump in the election, has turned out to be a fabrication. Two editors and one reporter have now been fired by CNN for a false story linking a Trump associate with Russia. At the same time, a CNN producer was so inept as to confess on videotape that they had no evidence of Trump colluding with Russia, but were claiming that to be the case anyway, in hopes of jacking up the ratings for the network.

In the view of the Chinese publication *Global Times*, the animosity of the American elite against Trump has led to the media essentially reporting only those reports which show Trump in a bad light, but not reporting anything when Trump does something positive, such as creating jobs, getting investments in infrastructure, or improving relations with other nations—because the media have no interest in this.

Finally the *New York Times* also had to admit the falsehood of the constantly repeated claim that all 17 U.S. intelligence services confirmed the analysis that Russia hacked the Democratic Party’s e-mails and distributed them. As Obama’s Director of National Intelligence James Clapper had to acknowledge to a subcommittee of the U.S. Senate Judiciary Committee, this claim came from handpicked analysts from only four of these services, namely the CIA, NSA, FBI and Clapper’s own office. And as every expert knows, commented investigative reporter Robert Parry, the term “handpicked” already shows that the result of the analysis was preprogrammed, because hardened Russia-haters or Hillary Clinton supporters were involved in the case.

Thus, one might be curious about the way the German media are conducting themselves, relative to the rest of

the world, in reporting on the G-20 Summit.

The advance indications for the Hamburg G-20 Summit are discordant, despite the planned performance of Beethoven's 9th Symphony in the Elbe Philharmonic Hall. Chancellor Merkel found it necessary to express her misgivings about Trump's policies in a government statement to the Bundestag (German House of Representatives), and tried to unite the various EU representatives participating in the Summit to position themselves as "leaders of the free western world" against the coming invasion.

Tensions are also preprogrammed with respect to President Erdogan, who is being blocked from giving a speech to Turkish residents of Germany, ever since he has changed policy, and directed Turkish policy more toward Russia and China, and has injected himself into the confrontation between Qatar and Saudi Arabia on the side of Qatar. Naturally Saudi King Salman, who in regard to supporting terrorism sees only the grain of sand in his brother Qatar's eye and not the beam in his own, is also participating in the Summit.

A constructive contribution is expected from President Xi, who is making state visits to Russia and Germany prior to the Summit, and will take the occasion to coordinate policy with Putin and to have policy exchanges with German Federal President Steinmeier and Chancellor Merkel.

The Summit will have an official agenda in which Ms. Merkel will try to make free trade and climate change the main subjects, and then at the last minute give at least the appearance that in regard to Africa, "fair trade" should now be on the agenda in place of the brutal conditions of free trade; at best a cosmetic correction, however. But the many bilateral meetings of leaders taking place on the sidelines of the Summit will be much more important. For example, the BRICS nations will hold an informal meeting before the Summit.

Above all, the signs for Hamburg look bad between the governments in Berlin and Washington. In Trump's Cabinet, the advocates of keeping Trump's electoral promise of a 20% border tax may come out on top. In the short term Ms. Merkel has sent her chief G-20 negotiator Lars-Hendrik Röller to Washington to look for possibilities of a policy reversal by Trump on his rejection of the Paris Climate Accord and on trade questions. The political climate was not likely to be improved by



Chancellor Angela Merkel

the announcement by German Economics Minister Zypries that the EU will "make many changes" if the United States introduces trade barriers to German and European companies. Thus it can't be ruled out that the G-20 Summit could blow up.

Whether the systemic risk of the trans-Atlantic financial system, which has intensified since 2008 despite Janet Yellen's claims to the contrary, comes out at the Hamburg meeting or only shortly afterwards, it is still only a question of a very short time before this crisis will demand fundamental reorganization. It will become clear that German Finance Minister Schäuble did the world a disservice by supporting the U.S. Treasury Secretary in his opposition to the reinstatement of Glass-Steagall bank separation.

The only way the Summit can be successful would be with an agenda headed by the introduction of a global Glass-Steagall Act, and then supplemented by a new credit system in the tradition of Alexander Hamilton, which would provide credit for investments in the real economy. Trump has already pledged several times that he intends to return to the policies of the American System of economy of Hamilton, Clay, Carey, and Lincoln. Germany also has a connection: The German economic miracle after World War II was due primarily to the policies of the *Kreditanstalt für Wiederaufbau* in exactly this tradition.

A trans-Atlantic system cleansed of excessive speculation would be much better able to collaborate in New Silk Road projects with the banks of the New Silk Road, such as the Asian Infrastructure Investment Bank (AIIB), the New Development Bank, and the New Silk Road Fund.

But it is to be feared that Chancellor Merkel is pursuing a completely short-sighted agenda, and she, and unfortunately all of us, must live with the consequences at least for a brief period.



President Vladimir Putin

It will be decisive for world history if at their first personal meeting, Trump and Putin come to a positive understanding, and thus create the preconditions for the success of what President Xi Jinping calls "cooperation for a future for mankind." In any case, the Summit will make clear which political leaders offer the world constructive solutions, and which remain trapped in the categories of geopolitics and the Cold War.