

Current Concerns

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How China sees Russia and the United States Beijing and Moscow are close, but not allies

by Fu Ying, Director of the Foreign Affairs Committee of the National People's Congress of the People's Republic of China*



Fu Ying
(picture CRI)

At a time when Russian relations with the United States and western European countries are growing cold, the relatively warm ties between China and Russia have attracted renewed interest. Scholars and journalists in the West find themselves debating the nature of the Chinese-Russian partnership and wondering whether it will evolve into an alliance.

Since the end of the Cold War, two main views have tended to define Western assessments of the Chinese-Russian relationship and predictions of its future. The first view holds that the link between Beijing and Moscow is vulnerable, contingent, and marked by uncertainties – a “marriage of convenience,” to use the phrase favored by many advocates of this argument, who see it as unlikely that the two countries will grow much closer and quite possible that they will begin to drift apart. The other view posits that strategic and even ideological factors form the basis of Chinese-Russian ties and predicts that the two countries – both of which see the United States as a possible obstacle to their objectives – will eventually form an anti-U.S., anti-Western

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“The current international order is the cornerstone of global stability – but it is not perfect. In 2005, China and Russia issued a joint statement on ‘the international order in the twenty-first century’, which called for the international system to become more just, drawing its legitimacy from the principles and norms of international law. The statement made clear that Beijing and Moscow see the evolution of their relations – from mistrust and competition to partnership and cooperation – as a model for how countries can manage their differences and work together on areas of agreement in a way that supports global order and decreases the chance that the world will descend into great-power conflict and war.”

alliance. Neither view accurately captures the true nature of the relationship. The Chinese-Russian relationship is a stable strategic partnership and by no means a marriage of convenience: it is complex, sturdy, and deeply rooted. Changes in international relations since the end of the Cold War have only brought the two countries closer together. Some Western analysts and officials have speculated (and perhaps even hoped) that the ongoing conflicts in Syria and Ukraine, in which Russia has become heavily involved, would lead to tensions between Beijing and Moscow – or even a rupture. But that has not happened.

Nevertheless, China has no interest in a formal alliance with Russia, nor in forming an anti-U.S. or anti-Western bloc of any kind. Rather, Beijing hopes that China and Russia can maintain their relationship in a way that will provide a safe environment for the two big neighbors to achieve their development goals and to support each other through mutually beneficial cooperation, offering a model for how major countries can manage their differences and cooperate in ways that strengthen the international system.

Ties that bind

On several occasions between the end of the nineteenth century and the middle of the twentieth century, China entered into an alliance with the Russian empire and its successor, the Soviet Union. But every time, the arrangement proved short-lived,

as each amounted to nothing more than an expediency between countries of unequal strength. In the decades that followed, the two powerful communist-led countries muddled through, occasionally cooperating but often riven by rivalry and mistrust. In 1989, in the waning years of Soviet rule, they finally restored normalcy to their relations. They jointly declared that they would develop bilateral relations based on “mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.” Two years later, the Soviet Union disintegrated, but Chinese-Russian relations carried on with the principle of “no alliance, no conflict, and no targeting any third country.”

Soon thereafter, the newborn Russian Federation embraced the so-called Atlanticist approach. To win the trust and help of the West, Russia not only followed Western prescriptions for economic reform but also made concessions on major security issues, including reducing its stockpile of strategic nuclear weapons. However, things didn't turn out the way the Russians had hoped, as the country's economy tanked and its regional influence waned. In 1992, disappointed with what they saw as unfulfilled pledges of American and European assistance and irritated by talk of NATO's eastward expansion, the Russians began to pay more attention to Asia. That

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year, China and Russia announced that each would regard the other as a "friendly country" and issued a joint political statement stipulating that "the freedom of people to choose their own development paths should be respected, while differences in social systems and ideologies should not hamper the normal progress of relations."

Ever since, Chinese-Russian relations have gradually improved and deepened. During the past 20 years or so, bilateral trade and investment have expanded on a massive scale. In 2011, China became Russia's largest trading partner. In 2014 alone, China's investment in Russia grew by 80 per cent – and the trend toward more investment remains strong. To get a sense of the growth in economic ties, consider that in the early 1990s, annual bilateral trade between China and Russia amounted to around \$5 billion; by 2014, it came close to \$100 billion. That year, Beijing and Moscow signed a landmark agreement to construct a pipeline that, by 2018, will bring as much as 38 billion cubic meters of Russian natural gas to China every year. The two countries are also planning significant deals involving nuclear power generation, aerospace manufacturing, high-speed rail, and infrastructure development. Furthermore, they are cooperating on new multinational financial institutions, such as the Asian Infrastructure Investment Bank, the New Development Bank BRICS, and the BRICS foreign exchange reserve pool.

Meanwhile, security ties have improved as well. China has become one of the largest importers of Russian arms, and the two countries are discussing a number of joint arms research-and-development projects. Extensive Chinese-Russian defense cooperation involves consultations between high-level military personnel and joint training and exercises, including more than a dozen joint counterterrorism exercises during the past decade or so, carried out either bilaterally or under the auspices of the *Shanghai Cooperation Organization*. In the past 20 years, thousands of Chinese military personnel have studied in Russia, and many Russian military officials have received short-term training at the National Defense University of China.

As economic and military links have strengthened, so, too, have political ones. In 2008, China and Russia were able to

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peacefully resolve territorial disputes that had troubled relations for decades, formally demarcating their 2,600-mile-plus border and thus eliminating their single largest source of tension – a rare achievement for big neighbors. In recent years, the two countries have held regular annual meetings between their heads of states, prime ministers, top legislators, and foreign ministers. Since 2013, when *Xi Jinping* became president of China, he has paid five visits to Russia, and Russian President *Vladimir Putin* has traveled three times to China in the same time period. All told, Xi and Putin have met 12 times, making Putin the foreign head of state whom Xi has met most frequently since assuming the presidency.

Managing differences

For all this progress, differences still exist between the two neighbors, and they don't always share the same focus when it comes to foreign policy. Russia is traditionally oriented toward Europe, whereas China is more concerned with Asia. The two countries' diplomatic styles differ as well. Russia is more experienced on the global theater, and it tends to favor strong, active, and often surprising diplomatic maneuvers. Chinese diplomacy, in contrast, is more reactive and cautious.

China's rise has produced discomfort among some in Russia, where some people have had difficulty adjusting to the shift in relative power between China and Russia. There is still talk in Russia of "the China threat," a holdover expression from past eras. A poll conducted in 2008 by Russia's *Public Opinion Foundation* showed that around 60 per cent of Russians were concerned that Chinese migration to Far Eastern border areas would threaten Russia's territorial integrity; 41 per cent believed that a stronger China would harm Russian interests. And as China's quest for new investment and trade opportunities abroad has led to increased Chinese cooperation with former Soviet states, Russians have worried that

China is competing for influence in their neighborhood. Partly as a result, Moscow initially hesitated to support Beijing's Silk Road Economic Belt initiative before ultimately embracing it in 2014. Meanwhile, some Chinese continue to nurse historical grievances regarding Russia. Despite the resolution of the border issue, Chinese commentators sometimes make critical references to the nearly 600,000 square miles of Chinese territory that tsarist Russia annexed in the late nineteenth century. However, these differences hardly support speculation in the West that Beijing and Moscow are drifting apart. This theory has occasionally appeared in Western commentary in the past two years, as Russia's relations with the United States and the EU have deteriorated owing to the crises in Syria and Ukraine. Despite some differences, however, China and Russia share a desire to firmly develop their bilateral relations and understand that they must join hands to achieve national security and development. Their cooperation is conducive to balance in the international system and can facilitate the solution of some international problems. Sometimes they agree; sometimes they do not. But they are able to acknowledge and manage their disagreements while continuing to expand areas of consensus. As Chinese Foreign Minister Wang Yi has noted, the Chinese-Russian relationship offers a new approach for conducting external relations and represents a possible model for other states to follow.

The crises in Syria and Ukraine illuminate the ways in which China and Russia have effectively managed their partnership. Many in the United States see China's attitude toward the conflict in Ukraine as unclear or suspect that China has sided with Russia. In fact, after the Russian annexation of Crimea in 2014, the spokesperson for the Chinese Ministry of Foreign Affairs stated unequivocally that Ukraine's independence, sovereignty, and territorial integrity should be respected. China emphasized that all the parties involved in the Ukrainian conflict should resolve their differences through dialogue, establish coordinating mechanisms, refrain from activities that could worsen the situation, and assist Ukraine in maintaining its economic and financial stability.

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China did not take any side: fairness and objectivity serve as guiding principles for Beijing when addressing international affairs.

But Chinese diplomats and leaders are also mindful of what led to the crisis, including the series of Western-supported "color revolutions" in post-Soviet states and the pressure on Russia that resulted from NATO's eastward expansion. It is also worth noting that there have long been complicated historical, ethnic, religious, and territorial issues between Russia and the former Soviet republics. The Ukraine crisis is a result of all these factors. As Xi put it, the crisis is "not coming from nowhere."

On Syria, the view in Beijing is that Russia launched its military intervention at the request of the Syrian government in order to combat terrorist and extremist forces. Although Washington has called for Syrian President *Bashar al-Assad* to step down, it shares Russia's goal of taking on the Islamic State (also known as ISIS). So on the one hand, the United States has criticized the Russian intervention, but on the other hand, it has expressed willingness to work with Russia on counterterrorism. The Russian move, then, was not exactly what the United States wanted to see but was not an entirely bad thing for U.S. interests, either. From China's perspective, Russia and the United States share an interest in confronting the brutal terrorists of ISIS. The hope in China is that talks among Russia, the United States, Iran, and a number of other regional powers will make progress in resolving the conflict.

But it is difficult to know how far U.S.-Russian cooperation in Syria can go without a common understanding about what will lead to peace and order. And many in China find it perplexing that U.S. and Russian perceptions are still so heavily influenced by the Cold War. U.S. politicians and commentators tend to talk about Russia as if it were still the failed Cold War rival. Meanwhile, Russian officials and observers frequently criticize Washington's behavior as arrogant or imperial. Some analysts on both sides have suggested that the standoff between Moscow

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and Washington over Syria and Ukraine could lead to a new Cold War. But from China's point of view, the current confrontations seem more like a prolonged ending of the original Cold War. It remains unclear if Moscow and Washington will take this opportunity to finally put old enmities to rest.

Getting past zero-sum

Given the way that relations among China, Russia, and the United States are intertwined, no analysis of Chinese-Russian ties would be complete without a consideration of where things stand between China and the United States. Compared with the Chinese-Russian relationship, the one between Beijing and Washington is wider and more complicated. Combined, China and the United States account for one-third of global GDP. In 2014, U.S.-Chinese trade reached nearly \$600 billion, and accumulated mutual investment exceeded \$120 billion. Thirty-seven years ago, when the People's Republic of China established diplomatic relations with the United States, no one expected such a strong partnership to emerge.

But there is no denying the structural difficulties in the relationship. Significant differences remain between Chinese and U.S. political values and between the governing systems in the two countries. And many Americans perceive China's growing economic strength and its correspondingly higher international influence as a potential threat to Washington's global leadership. China has quickly grown into the world's second-largest economy. When U.S. troops invaded Iraq in 2003, China's GDP was roughly one-eighth that of the United States. By the time the Americans pulled out of Iraq eight years later, China's GDP had grown to half that of the United States. According to many estimates, China's GDP will approach

the United States' by 2020. These changes have provoked fears in Washington that China and the United States are on a collision course. Disputes over China's construction activities in the Spratly Islands, in the South China Sea, have fueled a heated debate about how the United States should respond to what some American scholars and commentators see as expansionism. Meanwhile, Beijing regards the presence of U.S. military vessels near Chinese territory in the South China Sea as an act of provocation. Some argue that U.S. policy toward China may shift from constructive engagement to containment.

These debates provided the backdrop for Xi's state visit to Washington last September. In remarks during the visit, Xi directly addressed the idea that China's development presents a challenge to the United States' global leadership. "The path China follows is one of peaceful development, and China does not pose a threat to other countries," Xi said. Later, he added, "People should give up the old concepts of 'you lose, I win,' or zero-sum game, and establish a new concept of peaceful development and win-win cooperation. If China develops well, it will benefit the whole world and benefit the United States. If the United States develops well, it will also benefit the world and China."

Chinese leaders attribute much of their country's rapid ascent to China's successful integration into the world economy. They see China as a beneficiary of the international order, with the UN at its core, and as a strong advocate of principles such as sovereign equality and nonintervention in the internal affairs of states, which the UN Charter enshrines. China expects that it will have to focus on its own domestic economic and social development for a long time to come and thus highly values the maintenance of a stable and peaceful external environment. Although China is determined to protect its own interests and would respond firmly to provocations, encroachments on its territorial sovereignty, or threats to its rights and interests, its main goal is still to ensure that peace and stability prevail. And China is committed to safeguarding the international order and the Asia-Pacific regional order, as well

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(Map
wikipedia)**"How China sees Russia and..."**

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as further integrating into the globalized world.

Improving U.S.-Chinese relations represents an important part of China's diplomatic effort. Last September marked Xi's first state visit to Washington, but he and U.S. President *Barack Obama* had previously met five times since 2013 and had spoken over the phone on three occasions. In June 2013, when the two leaders met at the Sunnylands summit, in California, they talked for more than seven hours. After the meeting, Xi announced that China and the United States would pursue a "new model of major-country relationship," which he defined as a relationship based on nonconflict, nonconfrontation, mutual respect, and win-win cooperation. The two leaders have since continued their conversations on that theme: in November 2014 in Beijing, they held the "Yingtai dialogue," which lasted for nearly five hours. And during Xi's state visit, he and Obama spent around nine hours talking to each other and attending events together. These long meetings between the two leaders have helped them build understanding and ward off the confrontation that some U.S. analysts believe is inevitable.

The state visit, in particular, was very productive. The two sides reached agreement on a wide range of issues, including macroeconomic policy coordination, climate change, global health, counterterrorism, and nuclear nonproliferation. Xi and Obama also spoke candidly about the cybersecurity issues that have represented a serious point of contention between Beijing and Washington; the two leaders clarified their countries' intentions, agreed to form a high-level joint dialogue on the subject, and committed to work together to establish an internation-

al cybersecurity code of conduct. This is a strong demonstration that the two countries can promote global cooperation on important issues.

Of course, Beijing and Washington may continue to have disagreements over the South China Sea, Taiwan, human rights, trade policy, and other matters. The intentions of the U.S. military alliances in the Asia-Pacific remain a particular source of concern for China, especially since Washington announced its "pivot" to Asia in 2011. Some U.S. allies in the region have made claims on China's sovereign territory and infringed on Chinese maritime rights, hoping that by cozying up to Washington, they could involve the United States in their disputes with Beijing. This is a dangerous path, reminiscent of the "bloc politics" of the Cold War.

Some scholars in China and elsewhere have suggested that if the United States insists on imposing bloc politics on the region, China and Russia should consider responding by forming a bloc of their own. But the Chinese leadership does not approve of such arguments. China does not pursue blocs or alliances, nor do such arrangements fit comfortably with Chinese political culture. Russia does not intend to form such a bloc, either. China and Russia should stick to the principle of partnership rather than build an alliance. As for China and the United States, they should continue pursuing a new model of major-country relations and allow dialogue, cooperation, and management of differences to prevail.

Three sides to every story

Relations among China, Russia, and the United States currently resemble a scalene triangle, in which the greatest distance between the three points lies between Moscow and Washington. Within this triangle, Chinese-Russian relations are the most positive and stable. The

U.S.-Chinese relationship has frequent ups and downs, and U.S.-Russian relations have become very tense, especially because Russia now has to contend with significant U.S. sanctions. Meanwhile, both Beijing and Moscow object to Washington's use of force against and imposition of sanctions on other countries and to the double standards the United States applies in its foreign policies.

The United States and its allies might interpret closer ties between China and Russia as evidence of a proto-alliance that intends to disrupt or challenge the U.S.-led world order. But from the Chinese perspective, the tripartite relationship should not be considered a game in which two players ally against a third. The sound development of Chinese-Russian relations is not intended to harm the United States, nor should Washington seek to influence it. Likewise, China's cooperation with the United States will not be affected by Russia, nor by tensions between Moscow and Washington. China should neither form an alliance based on bloc politics nor allow itself to be recruited as an ally by other countries.

The current international order is the cornerstone of global stability – but it is not perfect. In 2005, China and Russia issued a joint statement on "the international order in the twenty-first century," which called for the international system to become more just, drawing its legitimacy from the principles and norms of international law. The statement made clear that Beijing and Moscow see the evolution of their relations – from mistrust and competition to partnership and cooperation – as a model for how countries can manage their differences and work together on areas of agreement in a way that supports global order and decreases the chance that the world will descend into great-power conflict and war.

Source: *Foreign Affairs*, January/February 2016

“NATO is killing us with this course, and does so with the active support of our own German government”

Interview with Willy Wimmer*



Willy Wimmer
(picture uk)

Current Concerns: The Government of the Russian Federation has changed their security doctrine at the turn of the year. Must we now feel threatened by Russia, or is the new doctrine a response to a threat directed at Russia?

Willy Wimmer: We are well-advised to look closely at the wording of the national security doctrines, regardless by whom they were written. Those states which can afford it publish these texts in a very understandable manner, be it the United States, India, China and now Russia. Against the background of our experience we can estimate, against what background these texts have been published and what the means are that the states want to make use of in order to implement the objectives set out in these doctrines. Every other state may then judge whether the employed means or the available ones allow us to achieve the objectives set out in the doctrines. This also applies to the latest Russian refinement of its national security doctrine.

We cannot help but matter-of-factly judge what general political assumptions were the starting point for those responsible in Moscow before they published this new text. Does their worldview correspond to our findings or do major differences emerge? Dealing with this doctrine, we will not discover any serious discrepancies in the worldviews. The expectation of the Russian Federation, after the end of the Cold War and in accordance with the *Charter of Paris* of November 1990, to be capable of heading for a “common European home” encountered the United States that exactly did not want that and system-

atically destroyed the instruments that apt to achieve a peaceful balanced settlement of intergovernmental activity. We all knew it, and no one could be blind in Moscow: It was not desired that Russia was to be part of and so Russia got the gate. In the past twenty-five years it was clear to everyone that the United States wanted to be the dominant global power, and the Russian Federation was regarded as a challenge to this role, especially in view of the concept of peaceful cooperation, even if the Russian Federation did not give any reason for this American approach, nor would it have been able to do so. This reminds us of the old Roman phrase that Carthage had to be destroyed precisely because Carthage existed.

For understandable reasons Moscow emphasizes that they wanted to be able to decide on their national policy by themselves, and refused to follow American command. That is the essence of the dispute, and the Ukraine crisis has made it clear that the United States took every effort to keep Moscow at arm’s length with their military potential.

This development, which initially culminated in 1992 in overtaking the instruments of the European Community by NATO in Eastern Europe, is confronting us now with a very unpleasant question. The question of what will actually happen when this issue, which has been imposed on Moscow, will have reached the “point of no return”. With American and allied troops 500 kilometers from Moscow it is likely to be a fairly academic question in light of all the potentials on both sides whether a military confrontation will only be conventional for 24 hours and what would be the fate granted to the American tenants in Europe in this context. The Russian military potential has considerably been whipped into shape in recent years. In case it would be used against us in a situation that we have brought about ourselves, it would threaten our existence substantially. Actually, the logical consequence for us should be to return to the *Charter of Paris*.

Apparently, this situation is a serious challenge to the US that can be explained by the island position. They do everything to keep one mighty foot dominating the states on the Eurasian Continent.

Two years ago, the world commemorated the outbreak of World War I a hundred years ago. It was not a single event in Sarajevo that set the world on fire. For many years a situation had been worked on, in

which only a single event was necessary to set the skies ablaze. Only a few Bosnians were then needed. Since the 1999 attack on Belgrade, the US has done everything to prepare the world for the great war. It is the question of whether a young man is needed again and when they will send him off.

How is this to be explained? On the one hand, in case of Syria and the IS, we have the UN Security Council that after a long time finally comes to take unanimous decisions, i.e. decisions shared by Russia and the US, on the other hand the tensions between the US and Russia are increasing?

Russia has regained its strong muscles in recent years. Muscles of a quality that have allowed Moscow to be able to return to the international stage, while fully respecting the rules of international law and therefore the Charter of the United Nations – and the United States could no longer prevent that. This opportunity gave the world a new chance in Syria to ultimately end the gruesome war through negotiations. This might be the reason why stakeholders in the US and in other countries want to disrupt this process by the Turkish launching of a Russian machine. Or else they make use of the brutal wave of executions in Saudi Arabia to escalate the hostility between Iran and Saudi Arabia to such a degree that the complete destruction of the negotiating approach initiated by Moscow to end the Civil War in Syria will be the consequence. The USA wanted to enforce their objectives in Syria, however, the Russian manner and the resulting negotiating approach were extremely obstructive to that aim. The role of Israel that engages actively in the Syrian civil war is not discussed by anyone, although its operations are a serious problem.

The now openly flared conflict between Saudi Arabia and Iran is thus a deliberately ignited harassment to the disturb progress in Syria and the fight against the IS. From my perspective, it is the serious attempt to make any negotiation approach impossible, because they do not allow anybody to take the Anglo-Saxon law of action out of their hands. We must not leave out of consideration that Syria is just a stock piece between Afghanistan and Morocco. With the United States as their leader, a number of states are reorganising the world south of us. They want to

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“NATO is killing us with ...”

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manage it alone, and Russia quite seriously obstructs this plan by the negotiating approach that they cannot circumnavigate.

In Germany, the policy of the Russian Federation has been described in the darkest colours for quite some time. Is that the case everywhere in Europe?

Fortunately not, and you only have to look at Paris or Rome, if you want to answer this question. If you look at your own country, then the investments in transatlantic networks consisting of politicians and the press, were definitely worth the effort for those who have created these networks. That has a lot to do with the character of Berlin. If you look at it politically, the city is in the hands of these networks which have a greater impact on the path of German politics than any German Prime Minister or even the German electorate. We were able to admire that lately, when the question arose who determines the highest German state office. Moscow and Tel Aviv recently decided that they had to disclose the external influence on national politics in order to be able to suppress it. In Ber-

lin these phenomena have helped for many years to alienate the German capital from the country and the electorate. This alienation is so serious that we fear again serious consequences for Germany.

Many say, probably correctly that Europe and of course Germany have a vested interest in good relations with the Russian Federation. Why have they not realized this interest until today, instead trying to fulfill the specifications prescribed by other countries?

With the Minsk II agreement, the French President and the German Chancellor have pulled a ripcord just before the outbreak of a great European war. However, this also reveals what room for maneuver of German politics actually remains. It is not a matter of nostalgia when I refer to *Helmut Kohl* and the chances of German policy to contribute to peace in the world. This is enshrined in the constitution. Now we will send warplanes to Syria in violation of international law and make it clear that we are nothing but an appendage of other states' policies. Even *Gerhard Schröder* was more advanced with respect to the Iraq War after he had experienced the war in Yugoslavia, which violated in-

ternational law, and Germany's involvement in it.

How do people in the other countries of the world think about the new Cold War? What role does the great “rest” of the world play in this conflict?

There is nobody in his senses wants to join this American challenge to the entire world. The Holy Father is constantly speaking about our being in the midst of a third world war in different parts of the world. He sees things more clearly than the German Catholic Bishops' Conference or even the Protestant German Bishops, whilst they are cheering a former colleague and now German President and who is conjuring up the war. I do not have to ask how people see things in distant corners of the world. I already feel sick when I look at my own country and the forces underpinning the state.

The development of conflicts such as the new Cold War is not determined by the law of nature, but by political decisions of several actors. Much has been written about it over the past one or two years.

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The Russian Federation's new security strategy

km. On 5 January 2016, the German edition of the Russian internet information service *Russia today* (RT) (<https://deutsch.rt.com/international/36166-neue-sicherheitsstrategie-russischen-foderation/>) reported that the President of the Russian Federation, *Vladimir Putin*, had signed the new security strategy of the Russian Federation at the end of the year 2015 (it was published on 31 December 2015, RT German has a link to the original document in Russian).

RT reported that it was a national priority for Russia to secure and to strengthen its status as one of the global leading powers. It quotes verbatim from the new strategy that “consolidating the Russian Federation's status as one of the leading world powers whose actions are aimed at ensuring strategic stability and mutually beneficial partnerships in a polycentric world” was one of Russia's long-term national interests.

Russia is particularly focussing on reinforcing its defensive abilities, its sovereignty, the country's territorial and national integrity, on strengthening the national consensus, raising the quality of life, on preserving and developing culture and improving economic competitiveness. Russia is striving for independence in its food supply.

The use of military force would only be an option if all non-military means had proven themselves to be ineffective. In view of the Russian nuclear weapons,

RT German cites: “For strategic determent and prevention of military conflicts, a nuclear determent on a sufficient level will be maintained [...]”

The new security strategy is based on the assumption that the danger of a global financial crisis is still imminent. In view of the US and EU policy, the paper adds in explanation that the attempt of states to enforce their individual geo-political interests with economic methods was weakening the international economic system. This was another reason why Russia's continuing dependence on the export of raw materials was posing a threat for the country. This threat should be mitigated by an increased economic diversification.

Russia wishes to improve its relationships with the GUS states. Its relationships with China are a “key factor for the maintenance of global and regional stability”.

With a view to the West, we can, however, read, “The Russian Federation's independent domestic and foreign politics is provoking the US and its allies to initiate counteraction as they are striving to maintain their dominant position in the world. Thus they are pursuing a policy of containment of Russia calling for political, economic, military and information pressure.”

NATO is again explicitly considered a “danger for national security” as it was still trying to expand towards the East,

i.e. in the direction of Russia. In addition, there was a network of US operated biological-military laboratories on the territories of Russia's neighbour states. In addition to the direct military threat, attempts for coup d'états through so-called colour revolutions are considered a threat for the country's security.

In part, the Russian Federation's new security strategy is likely to be also a reaction to the new US security strategy of June 2015. (www.jcs.mil/Portals/36/Documents/Publications/2015_National_Military_Strategy.pdf). This calls Russia an international outlaw and lists it at the head of the list of states threatening the US' national safety. Only a few days later the designated (and now officiating) US Chairman of the Joint Chiefs of Staff, General *Joseph F. Dunford*, called Russia an “existential threat for the United States”. And in his latest analysis of the US policy in Syria (“Military to Military”: www.lrb.co.uk/v38/n01/seymour-m-hersh/military-to-military), *Seymour M. Hersh* comes to the conclusion that there are no longer any voices in the Pentagon adopting a critical attitude towards an aggressive anti-Russian US policy.

In spite of all this the Russian Federation's new security strategy invites the US and its allies to joint action. If the US and Russia would work together towards global stability, they would be able to solve some of the most severe global problems.

Germany

Demanding to end sanctions against Russia

Huge financial losses for agricultural businesses

km. In the end of the year 2015 Eckhard Cordes, chairman of the *Eastern Committee of German Economy*, had demanded an "entry into the exit from sanctions" against Russia. (see *Current Concerns*, No. 1 from 15 January 2016). Several other prominent figures of German society have recently supported this demand. Former Chancellor Gerhard Schröder told the business journal "Handelsblatt" in an interview on 15 January 2016: "What I criticize – and the German government is among those who are to blame for this – is the fact that despite evident progress in the implementation of the Minsk treaty sanctions against Russia are not only continued but even extended. This is absurd." Joachim Rukwied, who is President of the German Farmers Association, demands an end to the sanctions, as well.

He uses primarily economic arguments. On 12.1.2016 he told the newspaper "Neue Osnabrücker Zeitung" in an interview Russia's boycott of European goods was one of the reasons for the bad economic situation of German agriculture: "The situation between the EU and Russia is one reason for the dire conditions many of our farmers are in. The sanctions cost German farmers almost one billion euro per year." Therefore Rukwied demands: "Efforts to overcome the current embargo have to be intensified."

Highlighting the situation of German farmers in more detail, the President of the Farmers Association stated in the interview: "In the last fiscal year which ended on 30 June 2015 we had an average loss of income by 35%. Now the first half of the current fiscal year is over and

considering the market situation we have to assume incomes to fall by another double-digit per centage. Prices of most agricultural products keep going down. So the general outlook remains critical." For the individual farmer this means: "A farmer in Baden-Wuerttemberg earns an average of just 2000 euros [i.e. less than 2,200 Swiss francs] pre-tax per month, in other regions it may be 2,500. This may sound not too bad, but from this sum also social security contributions and mortgage rates have to be covered. This leaves him with a gross income of perhaps 1,500 euros per month, and with 70 working hours per week, that is. Meanwhile we have a situation where employees' income of many farms is higher than the gross profit of the entrepreneur." •

"NATO is killing us with ..."

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When looking at the causes this is partly, and rightly so done by looking further back. Would a country like Germany have had a realistic possibility of countermeasures with a different diplomacy? Is there such a possibility even today?

It is a state-political necessity. It is not academic in nature, because NATO pursues a war course regionally and globally. NATO is killing us with this course, and does so with the active support of our own German government. You only have to listen to the speeches of German generals at

the forefront against Russia. Then you will feel sick already in Germany. How will you feel then in Smolensk or Moscow.

I am not aware that the federal government would have drawn political consequences from these people's the tension-increasing manifestations.

Why are lectures like that of George Friedman in Chicago in February last year¹ hushed up by the political class in Germany? Do they not take note of anything? Or are they so much caught up in networks that they have to remain silent? Hundreds of thousands of Germans, for example, take it very seriously what they read beyond the mainstream media. Why

does the entire political class neglect this persistently? Why are you one of the few exceptions in Germany? You once belonged to the "political class" yourself.

If you look at it soberly, Germany is once again divided. Against the mainstream, there are those who look around for alternative media to form their opinions, or those who in the mainstream are about to cancel their subscriptions. There have never before been so many and serious complaints against the programs of TV channels that do nothing but beat the war drum. After we were driven from one war into the other, many people in the country are very aware that it is no longer about preventing the censorship of the press – see the *Spiegel* affair – but putting a stop to the censorship by the press. I had the opportunity to make a very unusual experience. When I publicly expressed my opinion against the war course in Yugoslavia, I was vice-president of the OSCE Parliamentary Assembly, which at that time had been of central importance in Europe for peace issues. You must not assume that I would have been invited in the media in any round of talks on central national level. Only when Gregor Gysi publicly expressed his similar thoughts, he was invited so that they could besiege him with questions. In my experience this has remained alike on the national level.

In 2015, more than 1 million people from Africa, from the Middle East, and from the European Balkans have come to Germany. An end to the migration is not in

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Helmut Schmidt: "It is absurd to make Germany an immigration country"

The recently deceased former-chancellor Helmut Schmidt (Social Democratic Party of Germany, SPD) demonstrated foresight in an interview in the "Frankfurter Rundschau" [from 12.9.1992] in 1992 – from today's perspective – in an almost terrifying precision: "The idea that modern society should be able to establish itself as a multicultural society with as many cultural



Helmut Schmidt
(picture Wikipedia)

groups as possible, deems me devious. Germany, with its after all thousand-year old history since Otto I., cannot be transformed into a melting pot after-

wards. Neither France, nor England or Germany are to be transformed into immigration countries. [...] The societies cannot bear this. The society will degenerate.

The idea, which had been widely distributed by Heiner Geissler for years, that we can have several cultures in parallel, was always absurd to me. [...] Since we live in a democracy, we should orientate ourselves a little bit towards the needs of society and not what professors come up with, if you please. It is absurd to make Germany an immigration country. It can happen that we will be overrun".

Source: "Vertrauliche Mitteilungen" ("Confidential Notice") from 12 January 2016, Nr. 4165

(Translation *Current Concerns*)

"Nato is killing us with ..."

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sight. The topic fills the headlines every day. The fact is that the larger part of the people who urgently want to go to Germany, is escaping situations that have been caused by the West. But the official talk of the necessity of combating the causes sounds far less credible. What political consequences of German immigration policy do you expect? Are the events in Cologne and elsewhere a portent? What do the Germans have to expect?

You must ask the Chancellor who is still in office and the CDU as a party that to its own demise has chained its attitude in the migration issue to the Chancellor at the Karlsruhe Congress in late December 2015. No one in Germany and Europe knows what made the Chancellor allow the migration in this magnitude, and the primary constitutional institutions do not want to know. Dr Merkel has put Germany EU upside down and is splitting both up. It is not at all clear that we return to a policy that knows the responsibility towards one's own country and one's own people and meets the responsibility for the people in other countries. That was different after the end of the Cold War when we wanted to tie the states between Syria and Morocco more closely to us via the CSCE and the European Community and make them more powerful.² The United States and Israel had other ideas, and the result is what we see today.

What would you recommend your fellow Germans in the light of an explosive world-political situation and a no less explosive domestic situation? Can citizens do something so that there is light on the horizon? Or what should we prepare ourselves for?

In the coming state elections it will be in the citizens' hand to obtain a federal government in Berlin that will not let the German legal and constitutional state go to the dogs. But you should also see clearly that now is the time when Germany's way in its agony may start. Everyone can figure out what that would mean in Germany and Europe, as becomes apparent given the previous questions and answers. In Switzerland, each household pays scrupulously to the bunkers being ready for use. What have we actually done since 1990? Faced with the choice

Analysis of German intelligence agencies on "the state of the union regarding the surging waves of refugees"

Angela Merkel did not "eat boiled crow". The facts overran and alerted her and her party. The New Year's incidents in Cologne are a clear beacon. The German government has, however, been alerted by a highly confidential "quick"-analysis by German intelligence agencies on "the state of the union regarding the surging waves of refugees". This document distinguishes itself by bluntly conveying a comprehensive and realistic image of the status quo as well as "worst case prospects" – without having consideration for intraparty issues. What is written down here clearly shows the possibilities of how our European cultural and social culture could quickly and sustainably be softened and consequently be destroyed. Fanatics have declared war upon us. To ISIS, it is clear: "The next, deciding war zone will be the whole of Europe."

The report states that ISIS "brought in" up to 200,000 potential warriors to Europe during the refugee wave in 2015. 20,000 to 30,000 of those are sleepers, ready for immediate deployment. Moreover, we – their enemies – host them and cater for them. Should it happen that the stream of refugees after the weather-related break (stormy weather and coldness in Europe) continue on the same level, we must calculate on an influx of another 200,000 potential warriors. Croatia is an open entrance, naval forces at Lampedusa act as a "smuggler-corps"

rather than making use of military options. In addition, the EU transferred the protection of Greece's borders to their neighbour Turkey, curiously for several billion euros (!). This all is not our propaganda; it is the content of intelligence reports addressed to the Berlin government. According to the report this is probably unique in world history.

The "Immigrants of 2015" so far have prepared the terrain accordingly, you can read between the lines. "Europe is an open barn door to us, a land of milk and honey par excellence."

After another phase of the "Flooding of Europe", the second stage is to be established and to be set off at the right time.

Here, we register the worst-case scenario, so that you know the bandwidth of terror, which ISIS is capable of, bombing and killing through Europe. ISIS defines its final goal clearly: elimination of millions of "infidels" and eventually a gradual establishment of an Islamic State! "Paris and other sites of assault were 'harmless' training tasks to the organisers", as it is mundanely annotated. The gradual emigration of the already acting ISIS army in Syria to Western Europe (!) is planned within the second refugee-tsunami.

Source: "Confidential Swiss Letter", No. 1454 from 12 January 2016
(Translation Current Concerns)

between Merkel and Germany, the people should vote for Germany.

Mr Wimmer, thank you very much for the interview.

(Interview Karl Müller)

¹ George Friedman, founder and president of the US information service *Stratfor (Strategic Forecasting, Inc)* who was designated by the US magazine *Barron's* as "Shadow CIA", held a lecture on the strategic objectives of the US on 4 February 2015 on the invitation of the *Chicago Council on Global Affairs*, in which he emphasized the US policy towards Russia and Germany. He said among other things: "The main concern of US foreign policy during the last century, during the First and Second World Wars and the

Cold War were the relations between Germany and Russia [...]. The priority of the USA is to prevent the German capital and German technology to be united with the Russian natural resources and labor, to form an invincible combination". Friedman's entire speech can be listened to at www.youtube.com/watch?v=QeLu_yyz3tc

² Since the early 90s there were, for example, attempts by the CSCE to include the entire Mediterranean in the considerations for creating an area of security and cooperation together with the countries of North Africa and the Mediterranean countries of the Middle East and launch a CSCM, a Conference on Security and Cooperation in Mediterranean. The attempt failed, however. [...] cf. Jens Bortloff. *Die Organisation für Sicherheit und Zusammenarbeit in Europa. Eine völkerrechtliche Bestandsaufnahme*, 1996, pp. 94 or Annette Jünemann. *Europas Mittelmeerpolitik im regionalen und globalen Wandel. Interessen und Zielkonflikte*, in: Zippel, Wulfdiether (ed.). *Die Mittelmeerpolitik der EU*, 1999, pp. 29–64.)

“Limiting the consequences of the finance casino in Switzerland by means of direct democracy”

A transaction tax of 0.2 per cent would amount to 200 billion Swiss francs per year

Interview with Professor Marc Chesney



Professor
Marc Chesney.
(picture thk)

After the thunderous Lehman Brothers crash in 2008 and the ensuing financial crisis, there were calls for greater government controls and better protection for investors. Yet, under no circumstances did the “too big to fail” banks want state controls.

Billions in taxpayer money was poured into big banks, which in most cases almost ruined themselves through dubious practices in the vast finance casino world. New more stringent capital requirements remain cosmetic and investor protection that was enforced now appears rather modest. Professor Marc Chesney demands more protection against the finance casino as it has evolved over the last 30 years. He is Professor of Finance at the University of Zurich and author of the book “Vom grossen Krieg zur permanenten Krise” in German, or “De la Grande Guerre à la crise permanente” in French. He is currently seeking a publisher for the English version. In the following interview he explains his assessment of the current state of the financial markets and the economy.

Current Concerns: What do you see as the causes of the financial crisis in Greece? What is the connection between the financial crisis of 2007 and the situation in Greece today?

Professor Marc Chesney: This is related to the creation of the Euro. Essentially, Greece should not have been allowed to enter the eurozone. But tricks, presented as financial innovation, were used to conceal the financial situation. In particular, the bank *Goldman Sachs* helped Greece to hide a portion of its debt, and suddenly the situation in Greece appeared to be better!

What were the consequences for Greece? Suddenly the country was able to meet the so-called Maastricht criteria. Nobody in Brussels, Frankfurt, Berlin or Paris asked how this could have been possible in such a short time. Between 2002 and 2005 *Mario Draghi* was Vice Chairman and Managing Director at *Goldman Sachs International*. He is the current President

of the *European Central Bank* (ECB) in Brussels. Until today, he has never officially condemned this dubious window dressing.

Once Greece entered the eurozone, the interest rate on Greek bonds fell continuously so that the country could take out cheap loans. This came in very handy for big banks in Germany and France. Both countries wanted to sell arms to Greece, and this was funded generously by their banks through loans. Nevertheless, it was known that the Greek economy and state budget were in bad shape.

What were the banks’ calculations here? They presumed that if Greece did not fully repay the loans after a few years, the European taxpayer would assume losses and possibly bail them out. This was precisely the case when Greek debt became astronomical.

What happened in 2011 when the disaster became apparent to all?

Private debt became public debt. This is a disgrace for Europe. Why did Ms *Merkel* and Mr *Sarkozy* make the decision to support ailing banks with public money? Banks should be responsible for their actions. German or French big banks involved in these huge loans to Greece, should have assumed the risks associated to their decisions, as should be the case for all companies in a well-functioning economy. Thus, when Greece was unable to repay its debt, they, instead of the taxpayer, should have borne the costs. The real purpose of this taxpayer-financed bailout was not to aid Greece, but to rescue these big banks. Why should taxpayers pay for this? This question should have been asked before 2011, as the situation is now very complicated.

What could Greece have done in this situation?

One would have had to proceed as one did in Germany after the Second World War. At that time its debt was huge, approximately 200 per cent of gross domestic product. It was clear that Germany would not be able to meet its obligations. For this reason a debt cut was agreed upon at the *London Debt Conference* in 1953. More than 50 per cent of Germany’s debts were cancelled. The same solution should be applied in the case of Greece, whose debts have reached around 200 per cent of GDP. This level of debt is

unsustainable. Even the IMF finally recognized this reality – unfortunately only at the beginning of July 2015 – essentially at the same time as the Greek referendum took place. These debts will never be fully reimbursed. The question remains as to who, either the IMF or the EU and the ECB, will bear the costs.

What will happen if the creditors do not agree to debt relief?

Then Greece should follow the same path as Ecuador did. That is, it should perform a debt audit. But, contrary to Ecuador, the Greek debt is, as previously mentioned, now essentially held by public institutions rather than private investors. In addition, the products and activities of the finance casino are much more developed today than 30 years ago. So, for example there are CDS’s (*Credit Default Swaps*) which allow one to bet on the bankruptcies of countries or companies. The question remains as to which major banks bought or sold these products in the case of Greece. This is not transparent, and will be fully revealed only once this country stops honoring its debt. At that point it will become obvious who placed huge bets on its default. We will then see whether they were made in Frankfurt, Paris, London or New York. Bold solutions are required to eliminate this lack of transparency and to hinder the effects of the finance casino. Things cannot go on like this as its debt is even higher than it was before the last “rescue package” in summer of 2015.

This would ultimately mean that one cannot negotiate objectively because it is about so much money?

Financial institutions which purchase CDSs bet on the bankruptcy of Greece, and those who sell them bet on the stabilization of the financial situation in Greece and, simultaneously, on the success of European Union policy. Lehman Brothers’ bankruptcy in 2008 illustrates the financial toxicity of such bets. The American insurance company *AIG* sold CDSs on Lehman Brothers and believed that Lehman would never go bankrupt. For *AIG* management, the sale of these CDSs was a money machine. Conversely, some big banks that had purchased these products did everything to ensure that Lehman Brothers would go bust. After the Lehman Brothers’ bankruptcy, *AIG*, unable to

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honor its CDS commitments on Lehman Brothers, was virtually bankrupt as well, and the US taxpayer, without being asked, bailed out this company. Today bets are placed on other companies as well as countries such as Greece, in particular. But that is all non-transparent. Because of these bets and the finance casino in general, people are suffering, especially in Greece. How is it possible to survive in Europe on only a few hundred euros a month? That is incredibly difficult. The financial sector and more precisely too big to fail financial institutions, have taken power and are pumping more and more money from society and the economy into their own pockets. With the so-called financial package or financial help received thus far by Greece, a partial reimbursement of the debt as well as a recapitalization of Greek big banks was foreseen. The debt volume, however, is far too large, and the recapitalization of the banks is a bottomless pit. All this is a hopeless task. Other solutions are needed here.

The crisis in Greece is a symptom of the overall situation in the financial sector. The media hardly ever write about it. Have we learned anything at all from this financial crisis, so that such a thing will not happen again?

No. For our society this is unfortunately not the case. But too big to fail banks have learned something. They can take excessive risks because society will eventually assume the risks, if needed. They have strong lobbies which promote and defend their interests. The current economy is based on debt. It must create debt in order to try to stimulate growth which in turn is needed to partially reimburse debts. This is a vicious cycle. At the end of the day, growth is sluggish, and debt levels are unsustainable. That is why bold reforms are required. Although much has been spoken, progress has either been very modest, or on the contrary, worsened the situation.

There was a long discussion about regulation. What has been re-regulated?

Financial sector regulation is too complicated. With a financial sector that is far too complex, we need simple regulations with one main objective: the financial sector has to service the economy and society. To do this you do not have to write 600 pages or even more as in the case of the *Basel III* agreement. Fewer pages, as with the *Glass-Steagall-Act*, and clear rules would be enough. The financial institutions which have taken risks should bear them. In fact, banks that are too big to fail are particularly problematic for the stability of the financial sector. We need

smaller, less bureaucratic and more robust banks with much higher equity capital so that the taxpayer is no longer obliged to bear the costs associated with too big to fail banks in order to stabilize the system. We need to separate commercial and investment banks, as was the case in the United States until 1999 under the Glass-Steagall-Act. A micro-tax on electronic payments and other simple, understandable measures should be implemented. Furthermore, the way economics and finance are taught in academic institutions, in particular in the so-called top ones, should be changed. As explained in an appeal launched in Geneva, Fribourg and Zurich in 2011, the quasi-monopolistic position of main-stream economic, finance and management thought represents a real problem. Lessons from the financial crisis are not really drawn.

You have mentioned this Financial Transaction Tax. Could you explain it in more detail?

This idea was developed by Zurich financial entrepreneur *Felix Bolliger*, as well as Professor *Edgar Feige* of the University of Wisconsin-Madison, and Professor *Simon Thorpe* of the CNRS in Toulouse. Let me consider the case of Switzerland. In this country, electronic payments amount to approximately 100,000 billion Swiss francs a year, excluding currency transactions. This corresponds to about 160 times the Swiss GDP. With a transaction tax of 0.2 per cent on each electronic payment, 200 billion Swiss francs per year would be raised. That is more than all taxes in Switzerland together, amounting to approximately 170 billion francs, including VAT. This system of transaction tax would be technically much easier than the current one. For every electronic transaction, those made with credit cards in particular, 0.2 per cent would be deducted. Taking currency transactions into account would allow this tax to be even lower. The latter would not be a kind of *Tobin Tax*, that means not limited to securities transactions, such as stocks or bonds. Neither is it intended to be an additional tax, but rather an alternative or replacement to current taxation.

That means that there would be no income tax or VAT?

Yes, an income tax would no longer be needed, but the new tax should be introduced slowly. First, the *Value Added Tax (VAT)* should be eliminated step by step. That would have a positive impact on the tourism industry which suffers from the strong Swiss franc. Second, income tax should also be gradually suppressed. The middle and lower class suffocate from overly high taxes. In a world where unemployment and the number of imposed

part-time jobs are far too high, work is beneficial for society and should therefore not be overly taxed, as it is today. We would pay our taxes automatically, i.e. as soon as we perform an electronic payment. Furthermore, cash payments usually require the prior use of a cash dispenser. This would actually mean that each time 100 francs are withdrawn, 20 centimes in taxes would be paid. Ultimately, we could theoretically forget tax declarations.

If I go to a cash dispenser today which does not belong to my bank, I have to pay much higher fees.

Yes, we constantly pay various fees. They should be much lower. A micro tax on each electronic payments would be easy to understand and advantageous for almost all businesses and households. Due to an expensive Swiss franc, unemployment has increased slightly in Switzerland. With such a reduced tax instead of the existing ones, and with far fewer administrative burdens, foreign companies would settle in Switzerland. Thus, new jobs would be created. For big banks and hedge funds, however, the system would be different; they would pay more taxes.

You are probably referring to big banks and hedge funds which practice high frequency trading in particular. Do we absolutely need these activities in our country?

No, we do not need them because the economy does not work in terms of microseconds. Reducing such problematic activities in Switzerland would allow for more financial stability. In principle, this micro tax system is a key component of a worldwide program against the finance casino in general, and high frequency trading in particular. The question remains as to how to implement it. In Switzerland, direct democracy could allow this system to materialize. Should this become a reality, taxpayers abroad, specifically in Germany, France and the USA, will be wondering why they do not enjoy such a system. For a country in the EU to claim 30 to 40 per cent or even more of middle class income as tax revenue, is not only disproportionate and outrageous but also counterproductive.

In Switzerland you could achieve that with an initiative. But what will the other countries do which have no such possibilities?

In a democratic society, citizens should play a key role. It takes citizens who speak out, raise their voices and take their destiny into their own hands. Brussels has too much power in the EU. If citizens want reduced and simplified taxes, they must

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communicate with each other as well as with their regional politicians. The latter should be their representatives. The internet as well could be used for debate and support for such concerns. The initiative simply needs to begin somewhere for real action to be set in motion. If, thanks to direct democracy, the logic of the finance casino is impaired in Switzerland, it will inevitably influence other countries.

You see direct democracy as the basis for a more humane, equitable and therefore more peaceful life together.

Yes, absolutely. I have observed that democracy in many other countries is very much blocked. Conservative, so-called liberal or socialist governments essentially apply the same and unique financial and economic policy, namely those that meet the interests of financial markets. It is de facto a dictatorship of a financial aristocracy, supported implicitly or explicitly by many media. Alternatives are needed

What are you thinking of here?

For example, as previously mentioned, a separation between commercial and investment banks is essential. Furthermore, a certification process, as is the case in most industries, would be very useful in finance. The idea would be, that before approving financial innovations projects, their adequacy and appropriateness with respect to the needs of the real economy would be checked. Regarding financial transactions, they are oversized compared to what the economy really needs. Hence, the idea of the transaction tax: whoever makes transactions of large sums of money will also have to pay taxes for it.

This must necessarily be discussed. Let us talk once again about the financial situation of Greece and Ukraine. Can you not see the two crises as an expression of the entire situation?

Let me begin with a comparison between Ukraine and Greece. The financial situation in Ukraine is disastrous. Compared to its GDP, its debt is huge. And this is even more problematic because the seceded eastern part is in fact an important industrial part of Ukraine. Curiously, the IMF behaves much more complaisantly with Ukraine than with Greece. For the IMF, debt restructuring for Ukraine doesn't really seem to be problematic, but for Greece, it was a taboo until early July 2015. The question is, why? And here, the geopolitical dimension is particularly relevant. Ukraine is a focal point of confrontation between East and West. The EU has focused strongly on this country, albeit without any mandate. In the western

region of the country fracking projects are realised in order to prevent dependence on Russian energy sources such as gas. This is not only inefficient, but also dangerous to the environment.

What should be done?

All belligerents should sit around the negotiating table to find a solution. Tensions between the western and eastern parts have existed for a long time. Either they should develop a solution similar to the Swiss one and live together peacefully in a kind of confederation, or they should separate. If the belligerents are unable to find a common solution, they are better off going their separate ways. Unfortunately, a new cold war is currently unfolding. The fall of the Berlin wall was a stroke of luck, but the West did not seize this opportunity.

What should the West have done differently?

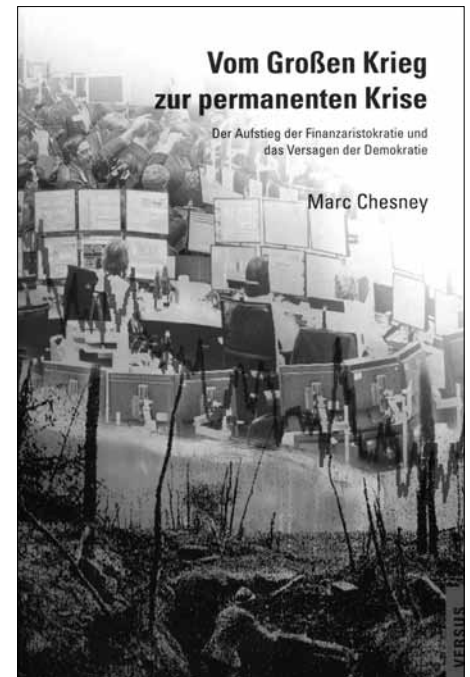
The Warsaw Pact dissolved itself, but NATO not only remained, but expanded further East. Contributing to the reduction and to the dismantling of nuclear weapons in Europe as well as to the easing of tensions in Europe should have been the West's priority. It was not the case and, in the event of direct confrontations, Europe would be right in the front line. What we need is an open Europe, a Europe which – instead of extending counterproductive economic sanctions – would be in a position to negotiate in order to find solutions. This applies in particular to Switzerland, which plays a very important role as a neutral country in this context. There is a confrontation between Russia and NATO, and one can only hope that the language of weapons will not prevail. This is a dangerous situation.

Is not all this an expression of the disastrous financial situation in the United States – those United States, which are actually bankrupt and struggle for survival with Russia and China?

Not only Ukraine or Greece or other European countries for that matter, but also many other countries such as the United States for example, are entrapped in huge debts. Their total debt, which means private and companies' debt, as well as governmental and financial sector debt amounts to approximately 300 per cent of GDP.

Let us come back again to the financial situation in Europe, to the strong Swiss franc and to the Swiss National Bank policy. How do you see this?

When the Swiss National Bank (SNB) started to back the euro in 2013, this contemplated solution was not the right one. The National Bank is unfortunately not of



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sufficient size to confront hedge funds and big banks. Allow me to shed light on this issue. Each day currency transactions (in dollar, euro, swiss Franc, etc.) amount to 5,000–6,000 billion dollars. With such a scale, one week's volume is sufficient to satisfy the needs of international trade in goods and services. The remaining amount contributes to the development of the finance casino and generates systemic risks. Let us assume that a hedge fund speculates on an increase in the Swiss franc. With an initial amount of one billion Swiss francs it can take a loan of approximately CHF 20 billion from a major bank, which means it needs only 5 per cent capital. Along the same lines, it can speculate with CHF 10 billion based on only CHF 500 million of capital and have an influence on the euro/Swiss franc exchange rate which has a daily transaction volume amounting to between CHF 50 and 100 billion. The National Bank would have to regularly invest billions of francs for the purchase of euros. This is not sustainable.

What should be done instead?

Why should the National Bank buy so many euros? This currency, with an uncertain future and regular weakness with respect to gold: within 15 years it has lost approximately 33% in value. The dollar and the British pound have fallen 95% compared to gold in one century. Gold represents a better investment opportunity. Incidentally, it would have been preferable for the National Bank to not sell a large part of its gold reserves, namely about 1,550 tons, as it did at the beginning of the 21st century. Now, how should

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the SNB invest these billions of euros? It is a delicate issue, a fortiori without a sovereign wealth fund. Why should a significant amount of German and French bonds be purchased? The huge increase in the monetary mass thus far is disproportionate compared with the development of the Swiss economy. The SNB's balance sheet has increased far too much. A temporary solution consists in the introduction of a negative interest rate, but only for foreign investors who want to speculate with the Swiss franc.

Should we have got out earlier?

Yes, it should have been done before the franc was hovering around 1.20 euro. The SNB's decision was probably influenced by the ECB's decision to begin purchasing government bonds. There is a lesson to be learned from this situation. It is not possible to buy euros in unlimited quantities. The SNB balance sheet cannot be increased indefinitely. What we need are national banks that carry out a sensible monetary policy.

How do you assess the conduct of the ECB?

One objective of the ECB is to curb inflation. But it is currently so low, essentially non-existent, that this institution wants to contrarily increase it in order to reach

two per cent inflation. But that does not work. Maintaining the stability of the financial markets is another objective of the ECB. Unfortunately, it has also failed in this respect. The ECB operates *quantitative easing*. As in the United States through FED's operations, huge amounts of money have been pumped into the financial sector, but it has not led to anything positive for the economy. These amounts, instead of being invested in the economy, are used as stakes in the context of casino finance. In this way, inflation remains limited only to specific financial assets and real estate, and a huge bubble is forming again.

So is that the reason why we have no inflation yet?

Yes. But if inflation becomes a reality, its level might be very high due to a huge monetary mass. Currently, Central Banks are playing with fire. Their policy has contributed to driving the world economy into a dead-end street. And, instead of looking for another direction, they carry on following the same policy at an accelerating pace. They keep injecting enormous amounts of money into the financial sector, but many companies cannot really get loans. And yet, it should be a high priority to invest in specific sectors such as renewable energy and education, for example.

What would be the solution for Europe?

In order to stimulate the economy, the ECB would be better off lending money at 0% directly to those companies which want to realise sustainable investment projects. We also need more direct democracy. That is the key issue. Citizens must have a say in political decisions. In addition, the fiscal load is too heavy and public funds are too often wasted. In the period from October 2008 to October 2011, the European States spent about 4,500 billion euros, approximately 37% of their GDP to bail out and stabilize their banking sectors, with success we are well aware of! Furthermore, according to an IMF report issued in April 2014, public subsidies for big banks amounted to approximately 50 billion dollars in the United States as well as in Switzerland in 2011 and 2012 together, and to more than 300 billion dollars in the eurozone during the same period. It is unacceptable for the taxpayer to ultimately assume responsibility for reckless decisions taken by too big to fail banks and to incur the corresponding costs. Subsidizing or bailing out too big to fail banks is contrary to the very liberalism in which the financial sphere wraps itself. What is required are smaller and more efficient banks working for the benefit of the economy.

Professor Chesney, thank you very much for this interview. •

(Interview Thomas Kaiser)

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Federal popular initiative of 28 February 2016

Popular initiative “No Food Speculation!”

by Dr iur. Marianne Wüthrich

The popular initiative “No Food Speculation!” was submitted on 24 March 2014 with 115,942 valid signatures. In addition to political parties (SP, JuSo, EPP, young CVP, Green Party), it is supported by various charity and religious organizations. The initiative demands that banks, insurance companies, securities dealers, funds and so on may not invest in financial instruments which relate to food. All traders and producers of food products hedged by forward transactions would be excepted of this prohibition. In other words, the farmers or their associations (for example Volg) and its customers (for exam-

ple grain or meat traders, but also processors of agricultural products such as apple juice or canned food factories) are likely to continue to make forward transactions.

Many opponents of the initiative expressed in the parliament debate that speculation with the misery of others is an ugly matter, but they think that an effective regulation would have to be taken internationally, for example via WTO, and Switzerland should campaign for it actively. Otherwise serious damage for the service center Switzerland is to be feared. Finally, the opinions differ on the question whether and to what extent price

fluctuations in the grain market really are affected by speculation.

But apart from all discussions and debates the urgent humanitarian concern of the initiators remains: Can we bring any financial gains by companies into play if on the other side hundreds of thousands of lives are concerned? “No”, Caroline Morel of Swissaid says, “we cannot do that.” In the parliamentary debates, many of the National or State Councillors expressed that the decision for or against the initiative would not be easy.

On 28 February 2016, the Swiss people will make their decision at the ballot box.

Unpredictable price developments with devastating impact on small farmers

Interview with Caroline Morel, Managing Director of Swissaid*



Caroline Morel
(picture
spekulationsstop.ch)

Current Concerns: In his comments in the National Assembly of 17 September 2015 Federal Councillor Johann Schneider-Ammann said, “Speculation does definitely have some positive and useful functions. It increases the liquidity in the markets. This ena-

bles producers and processors to hedge financial risks on reasonable terms. It is all about planning security and cost-efficiency. If earnings are improved by cost-efficiency and the resulting profits passed on in a properly functioning market to the consumers in the end there cannot be only adverse effects.”

Is the Federal Councillor here confounding hedging with speculation, although according to the text of the initiative those two must be kept apart? Or in other words, what does the initiative “No food speculation!” prohibit, and what would still be permitted?

Caroline Morel: Yes, the Federal Councillor is mixing the two issues here.

Because crop yields are difficult to foresee, producers and distributors protect themselves. On so-called future markets they negotiate contracts on trade with

Speculation makes corn prices surge

Corn prices are soaring to a record. Reasons for this are the corn reserves of the United States and the fear that crop yields might be reduced.

Frankfurt. Prices for a bushel of this food and feed product were up by 0.2 per cent to \$ 7.6175 on Tuesday. On Monday the price had temporarily risen to 7.65 dollars and had thus overtaken the previous record of June 2008.

“There is plenty of market news which can push the corn price further up,” said commodity strategist Luke Mathews of Commonwealth Bank of Australia. These include the lowest US corn reserves for 15 years and the inves-

tors’ fear of harvest losses in the northern hemisphere due to bad weather.

In the US Midwest cropping areas no corn can currently be planted due to heavy rains. If planting is delayed too long, farmers have to switch from corn to soy beans.

In the wake of corn, wheat increased in price by 0.4 per cent to \$ 7.9275 a bushel. Soy beans cost \$ 13.86 with 0.1 per cent more than the previous day.

Source: Handelsblatt
from 5.4.2011, Reuters

(Translation Current Concerns)

an agricultural raw material, in which they fix amount, maturity and price in advance. These contracts have an insurance function and are not affected by the Speculation-Stop-Initiative in question. The “positive functions” mentioned by the Federal Councillor will therefore continue to be possible.

Since 2000, however, financial investors, banks, hedge funds and institutional investors have increasingly become players on the futures markets. They bank on long-term rising prices, or speculate on short-term price changes. The speculation which this group is responsible for and which is disconnected from the physical trade, is dangerous and has to be regulated.

The volume of speculation is frightening: Until 2000, 20 per cent of the contracts were speculative in nature. Since the financial cri-

sis, their share has risen to 80 per cent and more, due to new financial investors.

The initiative’s opponents main argument is that it was not speculation that caused the massive price increases for cereals on the world market in the years 2007/2008 and 2011. What is one to think of that?

The 2008 food crisis gave the international community a start. The number of people going hungry rapidly increased by a hundred million, reaching the sad record of 1 billion people. The main reasons: The prices of staple foods had risen sharply due to crop failure after droughts and floods. This was aggravated by the politically promoted cultivation of agro fuels as well as by the growing animal feed production because of increasing meat con-

* Swissaid is one of the of the private aid organizations in Switzerland.

From the parliamentary debate: Arguments of a high standard

Markus Ritter (CVP, SG – Christian Peoples Party, Canton of St. Gallen): Today we are discussing an initiative that takes up an ethically very important problem and by that an issue that will be on our mind worldwide in the coming decades, namely the question: How can people survive having only limited resources at their disposal and having to stockpile by buying on the world market, especially during times of food shortage? Every year, the world population is growing by about 80 million people; which is about the size of Germany's population. In 2050, there will be 10 billion people on the earth, to be nourished according to the calculations of the UN and the FAO. Even today, 800 million people are undernourished and go to bed hungry every night. [...]

The group issuing the initiative has made very serious thought about the problem of

“The group issuing the initiative has made very serious thought about the problem of feeding the world's population. They want to ease the need and ensure access to sufficient food for all at affordable prices.”

feeding the world's population. They want to ease the need and ensure access to sufficient food for all at affordable prices.

Great humanitarian responsibility of the World Community

The importance of this concern is also seen by the parliamentary group of CVP/EVP (Protestant People's Party). In the

coming years and decades the world community will have to shoulder great humanitarian responsibility. Today, our question is whether initiative at hand provides appropriate means to address these challenges. Two aspects force us to answer this question with a “No”: 1. This initiative would provide the right remedy to the problem, if it would be possible to tackle the problem globally across country-borders, thus effectively enforcing new standards against speculation. If limited to Switzerland, such regulations would have no effect because the affected companies are mobile and can move its location easily. 2. There are diverging opinions about speculation pushing prices in certain areas. The opponents of the initiative refer to reports and assessments showing that speculation has only

continued on page 15

“Unpredictable price developments ...”

continued from page 13

sumption. But also the speculation in agricultural commodities such as wheat or rice drove the prices up.

It is clear that several factors have been responsible for the massive price increases. However, some factors are difficult to influence (weather conditions), others can be solved politically. High food prices lead to hunger, setbacks in the fight against poverty, and social unrest. In developing countries poor households spend from 60 to 80 per cent of their income on food – that is a much higher per centage than we spend here. Rising prices for staple foods therefore threaten the life and existence of these families. That is why it is necessary to minimize the various factors that have led to the price increases as quickly as possible. With the Speculation-Stop-Initiative we focus on an important factor contributing to price increases.

As there are other factors already pushing up prices, is a ban on speculation thus still urgently needed?

Yes, it is. The financial and economic crisis was the main cause of this strong increase in adverse speculation – since investors and hedge funds were looking for new investment opportunities.

Ever since the food crisis the really big problems have not so much been the price increase but rather the price fluctuations

that were massively increased by harmful speculation.

The unpredictable price development is devastating for small farmers, because it can lead to less investment in agricultural production, or – in the case of dire need – to the selling of seeds, livestock or land. There is a growing risk that people will be qualitatively and quantitatively supplied less well with food. The farmers lose their planning security.

Many opponents of the initiative fear, in the case of its acceptance, a negative impact on the attractiveness of Switzerland as a business centre, because namely big banks and other large corporations might move their business abroad. On the other hand, there are also many investors who would rather use and invest their money for ethical purposes. Could we still move up a gear in Switzerland in this respect?

The Swiss financial center can only gain in reputation with the adoption of the initiative because this will give a clear signal against speculative practices. It is also about the prevention of reputation risks – which can benefit precisely the Swiss financial center.

In the US and the EU, there are already efforts to counter the speculative practices, but they are less extensive than the present Swiss people's initiative. Instead of having to take over what others have decided on earlier, Switzerland could pro-actively go a step further to lead the way.

Does something like fair trade for financial enterprises already exist in Switzerland, something like a certificate by Swissaid and other aid organisations that a bank or a pension fund only deals in “clean” financial investments (eg. no funds containing weapons or food stocks)?

No, to my knowledge there is nothing like that. *Swissaid* is not specialized in this topic. There are several ethical and sustainable funds which can be invested in with a clear conscience. But the debate on speculation in foods has had the positive effect that there have already been banks that have pulled out of investments in agricultural commodities. It is important here that customers inform themselves accurately about their own bank or pension fund.

Can you finally tell us voters shortly why we should say yes to the initiative “No Food Speculation!” on 28 February?

Given the 800 million people who are now suffering from hunger, the food speculation is a scandal. Every effort must be made to prevent excessive speculation. Therefore *Swissaid* supports the Stop-the-Speculation-Initiative. Namely in Switzerland, one of the most important global trading centres for agricultural commodities, a bold political step is needed to protect the right to food for everyone.

Mrs Morel, thank you for this insightful and clarifying conversation. •

(Interview Marianne Wüthrich)

"From the parliamentary debate: ..."

continued from page 14

positive effects. This matter may have to be assessed in more depth on an international level.

Surely some degree of stockpiling and of investments in storehouses are important to buffer for crop failures. This area of investment is good and important. But there is a second area, namely the excessive speculation. Nobody under the sun can tell us that hedge funds investing in commodities, do not want to make money. I believe this is in the nature of things.

It must be noted that this popular initiative could have a significant impact on Switzerland as business location. In Switzerland – a trading center for commodities – there are nearly 600 companies ac-

"Let's help to teach many hundreds of millions of small farmers on the world, how they can improve their agricultural production! This must be our way."

tive in this field. With 10,000 employees they generate around 3.4 per cent of the gross domestic product. Especially in these times, we should not induce needlessly uncertainty in this area.

Let's take care of our farm land

In Switzerland we have the opportunity to promote food security on earth. Let's take care of our farm land, and cultivate those crops, we are able to grow! Any food that we do not buy on the world market will be available to other people. Let's fight actively against waste of food! Thus food can be used reasonably and will not be thrown away. Let's help to teach many hundreds of millions of small farmers on the world,

"But what I expect from the Federal Council, is to advocate and contribute for solutions on a global level and to make progress in food security and food supply."

how they can improve their agricultural production! This must be our way.

Cédric Wermuth (SP, AG – Social Democratic Party, Canton of Aargau): Mr Ritter, it may not surprise you, that I ask you a question on this matter. [...]

You and the farmers' representatives herein always have rightly pointed out the importance of re-establishing awareness in our society that food is not just a commodity, that farmers should get – and I quote from a text from you – "a fair price for their products, without speculation, without unnatural fluctuations".

This can be found in an editorial of the newspaper of the Farmers' Association. Aren't you afraid that you just send a contradicting signal when voting 'no' to this initiative? You will be telling the farmers in Switzerland: "Your product is a commodity like any other. If the price of milk is now plummeting, then that's just bad luck; it's your own fault."

Markus Ritter (CVP, SG): I'll tell you a few words as a farmer – I have spoken for our parliamentarian fraction. For us it's very hard to deal with this initiative, I'm going to abstain from voting on this initiative. Because the approach to improve food security somehow, that food is becoming increasingly important, is fundamental for us.

The problem of this initiative is the same as with the automatic exchange of information. We can not solve the problem of extensive speculation on our own, because these companies are all very mobile

and can move readily away from Switzerland. If we could solve the problem on our own, we would have to consider the initiative from a different point of view. But with this initiative we will not solve any problem.

But what I expect from the Federal Council, is to advocate and contribute for solutions on a global level and to make progress in food security and food supply. That's my personal point of view so far.

(*Verbatim minutes of the Swiss National Council debate of 17.9.2015*) •

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Foundations increasingly set the tone in education policy

by Wolfgang van Biezen

The “Curriculum 21” rejigs a grown and well-functioning educational system fundamentally. Moreover, the related inter-cantonal teaching materials at the same time further weaken the federal structure of the Swiss educational system. Finally, the product of a more than ten years, partly secret work, is presented to an eye rubbing public. All these occurrences raise some questions: Cui bono? Who benefits from it? Who are the initiators? Who profits, and who finances?

A not to be underestimated contribution makes the unobtrusively, but high efficient work of some foundations. Beyond parliamentary control and constraints and by means of money they enforce their vision of an economised, all over Europe controllable and conductible school.¹

The Bertelsmann Foundation understands itself as the mother of strategic foundations. A “strategic foundation” undergoes a pan-European ranking in which Bertelsmann defines which foundation is a good one and which not. Bertelsmann subsequently shares the European foundation market with other strategic foundations both geographically and in terms of content respectively issues. Networking begins. This saves money and resources and allows a more targeted, by Bertelsmann controlled approach. In case Bertelsmann has begun to think about a project, they will launch start-up financing, which in the first place includes the relevant actors of the administration as well as their scientific support by universities and high schools. Moreover, Bertelsmann coaches high-level civil authorities.²

After OECD has expressed the wish for a standardized European educational system and the Bologna-reform at academic level has already taken a step in this direction, the European countries now move forward to adapt their elementary school system. In Switzerland already 2003 the Jacobs Foundation – which is a Bertelsmann partner foundation and responsible for the Swiss education system³ – implemented the Schulprojekt 21 (School Project 21), which mirrors the economic requirements of the OECD, and was formulated by Bertelsmann in Germany as the curriculum for the 21st century and now in the Curriculum 21.

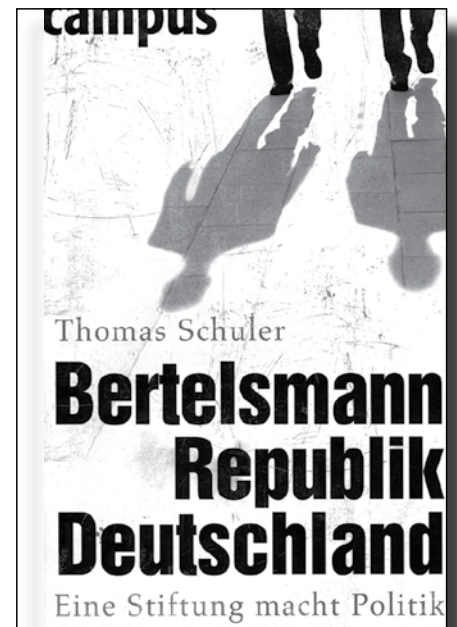
In 2003, Ernst Buschor, an expert of the Swiss educational landscape, also became a member of the board of the Johann Jacobs Foundation, acting as door opener and having the School Project 21 by the Bertelsmann Foundation bringing with him all currently known implications as heterogeneity, differentiated and competence-based education, teacher as a coach, mixed age learning and so on. Ernst Buschor, well known as Director of Education of the canton of Zurich and as President of the Schweizerischen Hochschulplanungskommission (Swiss Academic-Education Planning Commission), and amongst others at the same time was member of the Bertelsmann Foundation Trustees and board member of the Jacobs Foundation. However, this seemed to bother nobody, although under his influence novelties like PPP (Public Private Partnership = privatisation of public facilities) and NPM (New Public Management = management of public authorities based on economic points of views) have found entrance into the education system of different cantons.

The research by Tonia Bieber, University of Bremen, threw light upon this process, by investigating the enforceability of political influence in Switzerland controlled from outside.⁴

The “strategic work of the foundations” in a first step secretly takes its course in the Swiss education landscape. The start-up funding of the Jacobs Foundation initially amounts to one million Swiss Francs.⁵ Associations like the national Swiss teacher association LCH, the cantonal teacher associations, and the universities are invited to participate. The top leaders are trained amongst other places at the foundations’ own seminar-hotel Schloss Marbach at Lake Constance. Adaptation strategies for the implementation to the respective cantonal rules are developed.⁶

A member of the Jacobs Foundation Board of Trustees is Prof Dr Jürgen Baumert, who as the director of the Max Planck Institute for Human Development is in charge of the PISA studies. He embodies a direct line from the Jacobs Foundation to the OECD.

Based on a many years’ (secret) preparation before its implementation, the previous costs of Curriculum 21 can be seen



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as significant for the public sector and thus for the taxpayer. Therefore it is high time that the citizens of this country take care of the serious consequences of this constructivist curriculum for pupils, teachers and parents. It is high time that they inform themselves, have their say, and participate.

¹ “The Jacobs Foundation has two emphases: research and local projects. Research activities focus on this field, whereby its impact increases and it strengthens its positive effects on social processes. As a private organisation, the foundation has a great freedom of action. However, it does not replace the government, but it is able to take more risks that are excessive and advance more rapidly than the government. This is important to cause social changes and to be some kind of social pioneer. I think that the Jacobs Foundation succeeds quite well.” (Address by Pascal Couchpin during his formal reception as a member of the Jacobs Foundation Board of Trustees)

² Thomas Schuler. *Bertelsmann Republik Deutschland. Eine Stiftung macht Politik*. Campus Verlag GmbH, Frankfurt a. M. 2010

³ Klaus J. Jacobs, President of the Jacobs Foundation, “Jacobs Center for Productive Youth Development”, opening ceremony, 2 April 2003

⁴ Sonderforschungsbericht 597 by Tonia Bieber, Bremen: *Soft Governance in Education. The Pisa Study and the Bologna Process in Switzerland*

⁵ Johann Jacobs Foundation, *annual report 1998*, p. 20

⁶ Johann Jacobs Foundation, *annual report 1996*, p. 7f

Language- and educational policies as imperialistic power policy

hofm. It is a matter of language policy which languages are officially spoken in a country. In Switzerland, the national constitution and in detail the language law regulates the language policy. It states that Switzerland's four national languages must be treated equally, regardless of the size, the economic and political power of the linguistic regions. The equal treatment of the official languages expresses an even more fundamental value, namely the respect for freedom and dignity of the people who live within their languages and have a native culture therein. It is also a matter of language policy which languages schools teach in addition to the mother tongue and since it concerns the educational system, a matter of educational policy, too. This became apparent in the debate about the implementation of "Frühenglisch" (early English teaching form the third grade on). It showed how closely language correlates with education policies. Both fall into the regulatory competence of the sovereign constitutional state and – as in the case of direct democratic, federalist Switzerland – into the regulatory competence of the cantons. Therefore it is up to the citizens in the cantons to decide concretely on language and educational policy issues; based on distinct federalism Switzerland had been successful to preserve the diversity of languages and cultures and, a fact that should not be taken for granted, to ensure the internal cohesion and the language peace.

However, many people are unaware of the fact that there are states, which in international relations try from the exterior to force their language, their values and their culture on other countries by means of power, money, and aggressive marketing. The aim is to disparage and weaken the other's cultural and language identity, so that – in the service of imperialistic

power – the own one appears superior. The linguist *Robert Phillipson*, who researches and teaches in Denmark, reveals all this in his book "Linguistic Imperialism" which has been reissued in the past year. While reading, things regarding the current competency reforms in language-teaching (and beyond) become much clearer; they are in fact no national inventions, but imported into the countries from outside.

Phillipson shows, how this works and for what purpose based on the Anglo-Saxon countries' colonial or post-colonial language policy. He quotes confidential British government reports, revealing that the British interests had to be secured by investing in the academic infrastructure of the former colonies and by spreading the English language. This meant to establish English as the language of academic "elites" and as "superior" language. According to Phillipson, during the period of 1950-1970 government-related and private foundations in the US had expended large amounts of money, maybe the biggest amounts ever spent in history, on the spreading of a language. The spreading of English had thus been used as a means of foreign policy in order to gain power.

The ones, who are able to enforce their language in international relations, have advantages in regional or global competition for both economic influence and economic power; therein he broaches the extremely problematic amalgamation of "foreign language policy, cultural policy and educational policy" on the one hand with foreign policy on the other.

After the communist regimes had collapsed in Eastern Europe in the early 1990s, the Anglo-Saxon countries took the opportunity to spread English in a region, which was not really under their influence until then. At the time, the British Foreign Minister *Douglas Hurd* proclaimed to do everything possible to make English the leading foreign language in Eastern Europe. The yearbook of the *British Council* in 1991/92 reads: One had reacted fast and unconventionally in order to spread what England stands for, namely liberal democracy, free market and especially the English language.

This way the English language was equipped with associations such as "freedom", "democracy" and "western market liberalism", and this language image was spread by language teaching. And with the English lessons also teaching methods arose that were connected to attributes such as "modern", "self-directed", "democratic" and that were mostly put in contrast to the supposedly "externally controlled", so-called "chalk and talk"-teaching.

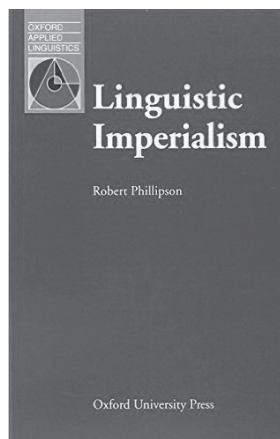


Block, David & Cameron, Deborah (Ed.) (2002): *Globalization and Language Teaching*. London/ New York: Routledge. ISBN 978-1134546381

In another in this context recommendable book, "Globalization and Language Teaching", the Sri Lankan linguist *Suresh Canagarajah*, who is teaching in the US, has his say. He knows the facts from his own experience. Teaching methods, he writes, are not value-free tools that are developed and tested solely by empirical research for practical use, but rather cultural and ideological constructs with political and economic consequences. Teaching methods influence the activities in the classroom, the social relationships, the way of thinking, the strategies of learning and so on, namely in accordance with those who implement them in the schools of other countries and cultures, to cause a "cultural change". According to Canagarajah, the dissemination of teaching methods can be considered as an "attack" on culturally different ways of thinking, learning and social interaction; and it can be seen as an attempt to spread uniform values and practices.

In Canagarajah's view it is evident that this influence comes from the economically strong, powerful industrial nations such as the USA, England, France, Germany and so on, who use their economic and technological superiority to force their way of thinking and their values upon less developed countries, emerging or Third-World-countries by language teaching. Many teachers in these countries believe that the teaching methods that are spread in scientific glossy journals, in teacher-training programmes and by professional looking organisations therefore are more modern, more effective, and more democratic.

Much of the competence-oriented education reform that comes from the Organisation for Economic Cooperation and Development (OECD) or the EU can be better evaluated in its nature and importance after having read the two books. •



Phillipson, Robert (2014): *Linguistic Imperialism*. Oxford/New York: Oxford University Press. Highly recommended to language teachers. ISBN 978-0194371469

Thank God we have the German-speaking Swiss Conference of Cantonal Ministers of Education

by Michael Schewski, real-life satirist

Recently, I read in various newspapers that on recommendation of the *German-Speaking Swiss Conference of Cantonal Ministers of Education*, in all primary schools the “Schnürlischrift” (cursive script) will be abolished with the introduction of Curriculum 21 and that a new “Basisschrift” (a simplified form of handwriting) will be taught instead. Intrigued, I looked at the web page of the German-speaking Swiss Conference of Cantonal Ministers of Education. There I found the “Instruction sheet for the use of the “Swiss-German ‘Basisschrift’”, describing everything in detail from its correct use all the way up to the right of use. The combined word/figurative mark “Swiss-German ‘Basisschrift’” is actually protected by trademark laws.

Until now, pupils learned to write in a two-stage approach, first the unconnected printing of letters and then the fully connected “cursive script” with partially new letter images. In this way the individual handwriting was developed.

In order to spare the pupils this detour in future, they are supposed to learn only one letter form that of the Swiss-German “Basisschrift”, initially unconnected. Later the letter connections would be set by the pupils “individually”.

With the new letter shapes, unnatural movements with many changes of direction would be avoided. That would mean an adaptation to the needs of the beginners. The paper helpfully explains, that the fonts of the Swiss-German “Basisschrift” contained only unconnected characters. There were no partially cursive letters. The concept of the “Basisschrift” was characterised by the very fact that pupils would individually work out the connections themselves after having learned the individual letters. A digitized template of partly related typeface would be contrary to the concept of the “Basisschrift”. Neither could a template with unconnected, but diagonally speci-



“The form of the letters of the Swiss-German ‘Basisschrift’ (simplified form of handwriting) are subject to copyright and may not be amended in textbooks or supplemented by alternative forms”

fied letters (possibly with letter endings) – be recommended. The Italic Script was the consequence of an obliquely set sheet, the paper explains. An obliquely set script template, however, but would entice the children to bend their wrists, which was neither ergonomic nor useful for fluid handwriting. – Wow, ain’t that something ...!

And then I read the effectuations of a teacher who boasted to a newspaper of having already introduced the “Basisschrift” last summer, two years before it became compulsory in her canton. She claims that the “Basisschrift” was a simplification compared to the cursive script, which made it possible to practice the essentials more efficiently. The children had thus more capacity to focus on the contents of a text and would have to pay less attention to the correct way of writing the letters. –

Slowly the images of our ancestors’ bent wrists appeared before my mind’s eye. Since they had no German-speaking Swiss Conference of Cantonal Ministers of Education, they unknowingly filled entire books with slanted connected letters. And I began to imagine what the poets and thinkers of yesteryear might have achieved if they had not been forced to concentrate on proper handwriting. ...

But next it dawned on me that the whole matter was not completely thought through to the end: Firstly, any indication of what to do with pupils who practice cursive script in secret, is missing on the website of the German-speaking Swiss Conference of Cantonal Ministers of Education. And secondly, why bother with this intermediate step? Has there not been a software available since long that converts speech into writing? ... •

Providing orientation through history

Historical amnesia as a programme

by Carl Bossard*

From the point of view of school reformers history as a subject taught at school appears to be dispensable. In the best case, this trend will remain only a footnote – in history. Observations on a misguided path.

When you deal with young people you are aware of their interest in history and can experience their fascination with times and cultures. You know their desire to understand familiar and unfamiliar worlds. But their knowledge of the subject is small and their understanding of how issues relate to one another is rather limited. Turning a blind eye to this fact is not a solution; rather the schools ought to take appropriate counteracting. Instead they abolish history as a subject in its own right.

The pervasiveness of the present

“Young people’s lives are now largely networked, they are living in the horizontal”, the Zug writer *Thomas Huerlimann* writes. And he adds: “They are at the same time in Tokyo, New York and Berlin, but history for them is merely a *Wikipedia* entry.” The present pervades everything.

What cannot be brought to mind does not exist. So at least one could think. Again *Thomas Huerlimann*: “My generation, by contrast, grew up in the vertical: In the beginning there was the Old Testament, there was Rome, there was the history of the Old Swiss Confederation, and people recognised themselves as an extension of the past.”¹

As *Thomas Huerlimann* quite rightly said, data and information inhabit the horizontal.

Knowledge does not arise casually

Data and information are the signatures of the present. Knowledge and education, by contrast, are characterised by a vertical quality. There are, therefore, major tasks ahead of the schools. While one can distil useful information from great quantities of data such as big data, they are merely additive. They scarcely generate any knowledge. Knowledge does not arise casually, it is the result of serious study rather than the effect of whatever we may happen to pick up and find. Ultimately, it is up to the students themselves to learn and comprehend.

These are strenuous activities. They require stimulating instruction, a dialog-

“Only when we learn to see things in their context will historical worlds be opened up to us. Understanding issues in their historical context raises the sensitivity to temporal dimensions and development processes, to what has come about and to what may come about in the future. Historical context thus opens the door for the future. [...] Not facts and figures, but orientation – education as the ability of self-orientation in intellectual and historical worlds.”

ical discourse and dedicated teachers. It is vital that there are teachers demanding a great deal from their students and confronting them with structures young people would never get to know in their own present-tense worlds. In short, teaching as a countervailing force with the courage to provide an antidote. The horizontal needs the vertical.

Teaching educational contents without expiry date

With regard to the task of helping students to develop their learning ability schools are more important than ever. Thus, rather than on actualities the curricula should focus on those educational contents and basic skills that enable to remain capable of learning on a sustained basis – in short, on educational contents without expiry date. In a communicatively connected service-providing society we need persons who have a good oral and written command of their mother tongues. Equally important are basic mathematical and scientific competences and, as a compulsory requirement, foreign language skills.

Another key element for education is the knowledge of one’s own history and thus the ability to connect origin and future. In our modern civilisation such a historical awareness is more necessary than ever. Only then will we be able to place ourselves in a relationship to the foreignness of others that have drawn closer to us and to the foreignness of our own past, from which we become detached ever more rapidly as a result of progress. Such an attitude enables us to cooperate and makes us ready for the future. Historical thinking is the basis.

History must be present as a subject in its own right

In Swiss schools, however, history has been abolished as a subject in its own right. History is meandering as a nebulous swarm, made up of disconnected fragments, through the field of “human beings and the environment”: a bit of pile-dwellers, a mod-

icum of Romans, a pinch of chivalry, but no overview, no contextual knowledge, no structures, not even on the temporal level. History has been systematically devaluated.

There is no guaranteed number of lessons and hardly any control. *Curriculum 21* does not take any corrective measures, either. On the contrary, it replaces history even in secondary schools. Along with geography, it becomes part of “Räume, Zeiten, Gesellschaften” (“Spaces, times and societies”). It specifies twelve basic requirements, with the result that history is revealed only through isolated fragments. Its status is not clearly defined. It is largely a matter of personal discretion and thus remains at the whim of the teachers. In the face of such constructs history as a subject will hardly gain new importance.

Spaces, times and societies

However, as soon as a discipline disappears as a subject in its own right, its content also disappears, especially from the minds of the children. “If history does not become visible as such, it simply does not exist in their heads”, says an expert on history teaching methods. “The term ‘history’ programmatically points at the core activity of the science of history, its way of dealing with temporality and the nature of its reflection and analysis of the past”, criticises the historian *Lucas Burkart*.² Under the subject name “Spaces, times and societies” all this will be lost, he adds. History imparts the ability to establish connections on a wide range of issues, but also the ability to bring the past to bear upon the present.

The renowned developmental psychologist and vice-president of the *Max-Planck Society*, Professor *Franz E. Weinert*, has already warned against such collective subjects: “As knowledge systems subjects are indispensable for cognitive learning. There is absolutely no reason for a heterogeneous mishmash of subjects.” As an exception to

* Dr phil *Carl Bossard* was director of Kantonschule Alpenquai in Lucerne und founding rector of Zug university of teachers training (PH Zug).

"Providing orientation through ..."

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this rule, he identified project instruction, where real phenomena and problems of our world are the starting point.

A compass in a complex world

The dynamics of civilization continues unchecked. But the gaze forward needs the rear-view mirror. The faster society changes the more important becomes the knowledge of one's own history and the awareness: "That is where we come from". If we completely lose this dimension, we also lose the vertical. If we betake ourselves into the horizontal, and if the present becomes our only point of reference, we lose our relationship to history and thus our orientation – without orientation no basic values of social cohesion and no clue about Switzerland's *raison d'être*. School conveys the gaze back but at the same time it is always forward-facing. In fact, a future always needs a past, to borrow *Odo Marquard's* much-quoted phrase.

That is why history is so important. It tells fascinating stories. Human beings need good stories, arousing their interest. They take us, for instance, to such events as the French or Helvetic Revolution of 1789 respectively 1798 or to the emergence of the Federal State of 1848, not as isolated events, as an assembly of disconnected incidents, or a juxtaposition devoid

of concepts. Of course, it is not simply a matter of imparting year dates and facts, learnt by heart and mechanically reproduced. No, but every occurrence stands in a wider relationship to the present.

This is shown, for example, by the period between 1798 and 1848 – one of the most exciting periods of Swiss history, even for young people. It was the struggle for the modernisation of Switzerland and its path into the future, the conflict between unitary state and confederation, the contest between French Napoleonic centralism – symbolised by the apple – and the particularism of the Old Swiss Confederacy – in the shape of the grape. The fifty-year struggle between the apple and the grape was intense. A war was going on that caused bloodshed, and Switzerland almost broke apart. The Federal State of 1848 brought about a compromise in the form of the orange: a diverse country, consisting of member states with as much independence as possible thanks to the federal structure of the government.

The parallel to the present is evident – and thus also the claim of the astute Swiss historian *Herbert Luethy* that "all history is history of the present, because the past cannot be experienced as past, but only as something present from the past".

Historical context as a door opener

Only when we learn to see things in their context will historical worlds be opened

up to us. Understanding issues in their historical context raises the sensitivity to temporal dimensions and development processes, to what has come about and to what may come about in the future. Historical context thus opens the door for the future. It was not without reason that the philosopher *Hans Blumenberg* many years ago coined the phrase that education was not an "arsenal", but a "horizon". Not facts and figures, but orientation – education as the ability of self-orientation in intellectual and historical worlds.

Of course, that does not come by itself. Any significant finding, and also any historical insight, is the result of an intellectual effort that has to be taken in the vertical. No computer will save us such an effort, not even in the future. And the school subject of history is a sort of basic insurance. The progressive federal state Hesse abolished history as a subject taught at school. In the meantime, it has reintroduced it – disabused by its timeliness. •

¹ Alexandra Kedves. *Thomas Hürlimanns Kirschgarten*, in "Tages-Anzeiger", from 5 June 2015, p. 25

² Lucas Burkart. *Jugendliche sollten eine Faszination für andere Zeiten entwickeln*, in "Neue Zürcher Zeitung", from 18 March 2012.

Source: www.journal21.ch/geschichtsvergessenheit-als-programm

(Translation *Current Concerns*)

Letter to the Editor

God forbid – media do not manipulate, do they?

Why do almost all newspapers in the entire Canton of Zurich report absolutely nothing – despite knowing better – about the fact that the cantonal popular initiative demanding a referendum on the introduction of Curriculum 21 in the Canton of Zurich, was recently officially submitted with more than twice the number of required signatures (27 November 2015)? Instead, the very next day (what a coincidence!), a widely spread media article could be read across the whole Canton, reporting completely uncritically, yet in detail on how the Zurich education authorities intended to introduce Curriculum 21 canton-wide in the coming years – completely unmoved and without any comment by the editors, as if this education policy project was totally undisputed, absolutely clear and decided on

long ago! Thus once again the disquieting, however tendentious manner as to how media deal with unpleasant facts is revealed by these proceedings. Or to be more specific: It seems that this initiative simply does not suit the media lobby as the fourth power in the state! But how will the voters be able to form a relevant and balanced personal opinion when deciding on the introduction of Curriculum 21 in the Canton of Zurich, in particular if they receive information only occasionally and furthermore one-sidedly by the media? Is that worthy of a press, considering itself to be serious?

You do not need to be a clairvoyant: Critics of Curriculum 21 can unfortunately not expect a factual, fair reporting and decent media treatment and will probably have to brace themselves up for the

upcoming referendum campaign – unless some leading media representatives take on their responsibility and think twice. As throughout Switzerland, just at the beginning of the Advent season, a prominent and broad-based, clearly left-sided politically active opposition in the country let their voices be heard about the intended Curriculum 21. Now these opponents put forward their critical fact-based arguments thereby clearly siding with those hitherto sole opposing so-called "right-wing" circles (cf. *Sonntagszeitung* of 29 November 2015). So we are certainly anxious to learn what the further media treatment of the subject will be like.

Kurt Scherrer

(Translation *Current Concerns*)