

**ROOSEVELT
2012**

We've decided to take action

Concerning the extreme seriousness of the situation

There is increasing despair in our country, France. There are already 500,000 unemployed people registered with the unemployment office, hundreds of thousands of the unemployed who no longer qualify for benefits, and millions of people living in poor and precarious conditions. Hundreds of thousands of families have great difficulty paying their rent or utility bills, and there is every indication that a new recession is likely in the near future.

After more than 30 years of "crises", the word itself seems to have lost its meaning. Many consider the present crisis a mere parenthesis soon to close, and that everything will quickly return to usual. But they are dead wrong!

"The next crisis may be worse than 1930," says the Governor of the Bank of England.

"The entire global economic system is in danger of collapse", warns the President of the french financial market authority.

"The situation may well turn out to be worse than what we experienced in 2008," writes Olivier Blanchard, chief economist of the IMF.

THE TOTAL AMOUNT OF U.S. DEBT HAS ATTAINED 358% OF GDP (Gross Domestic Product).

In the first 3 months of 2011, while U.S. public debt increased by 380 billion dollars, the GDP increased by a mere 50 billion. More debt for less growth! The world's biggest economy is like a car that needs a pint of oil every 500 feet). At any moment, a piston rod might succumb and the engine explode. Colossal

budgetary cuts planned for 2013 may throw the USA into a recession of historic magnitude.

IN CHINA, THE REAL ESTATE BUBBLE...

... Is double the maximum amount reached by the bubble in the United-States before the subprime loan crisis. In 2009, in order to avoid recession, the government ordered banks to grant all the credit requests they received.

IN ONE YEAR, 44% OF GDP HAS BEEN INJECTED INTO THE CHINESE ECONOMY...

30% from private credit and 14% through public debt. There is construction everywhere... a plethora of empty buildings. At the end of December, a Chinese official announced an expected 40 to 50% drop in real estate prices in 2012! In February and January home sales fell off 25%.

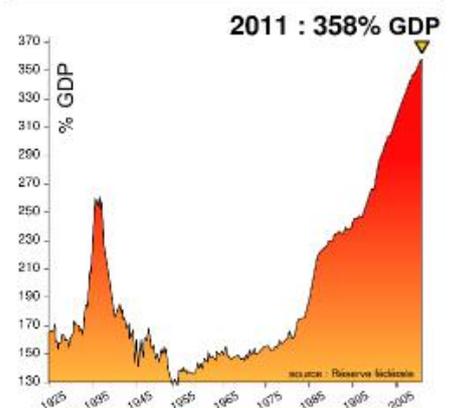
We witnessed what happened in Spain when a similar bubble burst: unemployment tripled in three years' time. What will happen in China where there is already 20% unemployment, and increasingly violent manifestations of social unrest? The burst of the real estate bubble along with a drop in exports threatens to be an explosive combination.

THE "BRIC"s ALONE CANNOT SAVE THE WORLD ECONOMY

Brazil recently announced that its growth has fallen to 0.0%. In India, industrial production has fallen off 5% in a year. All those that

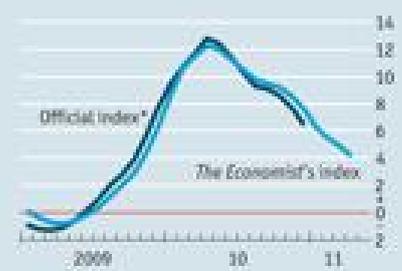
maintained that China and the USA would drive growth and that there was no risk of a second recession, had completely misunderstood how the real economy works. Once again!

Total United States debt since 1925



Index synced

China's 70-city house-price index
% change on previous year



Sources: National Bureau of Statistics; The Economist

*Discontinued after December 2010

THE NEXT CRISIS MAY BE MORE SERIOUS THAN THE 2008 CRISIS

Unless the rules of the game are changed quickly, governments will no longer be able to rescue the financial sector should it suffer another heavy blow. When Lehman Brothers went down, the panic only lasted a few days because Bush and Paulson agreed to put up 700 billion dollars; No one doubted they could furnish the 700 billion, and calm returned very quickly. The shock nonetheless caused a global recession, and put tens of millions of people out of work around the world. Three years later, no one knows how President Obama could again amass such a sum of money were it deemed necessary. We must avoid such an eventuality at any cost

"The current crisis in capitalism is suicidal for humanity," said Michel Rocard back in 2007. Five years later, nothing has changed. Or rather for the worse! Instead of tackling the root causes of the crisis, instead of radically altering an economic system that everyone, in 2008, agreed should be totally transformed, our leaders have continued on with blind obstination, replacing private debt "transfusion" by public debt transfusion. But how long can it last? It is increasingly clear that our economies are approaching the brink of disaster... Action must be taken swiftly and forcefully. And that requires, first and foremost, a clear diagnosis of the crisis.

Why have the last 4 years' policies all failed to get us out of the crisis, sometimes even making matters worse? The answer is because the widely accepted diagnosis is just plain wrong.

Let's leave confusion behind and come up with the **correct diagnosis at last**

Today, global financial policies are paralysed by their desire to 'reassure financial markets' which have notoriously contradictory demands. Faced with the risk of recession, should we implement new stimulus packages to the point of being crippled with debt? Or should we vote for belt-tightening policies (which cause social crisis and public finance problems as we have seen recently in Greece and Portugal) and risk immediate recession?

How do we resolve this dilemma? Why do our economies fall back into recession if we deprive them of their "drug"? How have our countries become so debt-dependent?

It is by analysing the statistics of the American Federal Reserve Bank for the last 60 years, that we come to understand the causes of this addiction. Until 1981, the GDP/debt ratio was perfectly stable. The economy didn't depend on debt to grow steadily because collective laws ensured the regular progression of salaries and fair and equitable sharing between employees and shareholders. This 'Fordist compromise' provided the United-States with 30 years of prosperity. Without debt.

However, in 1981, Ronald Reagan arrived in the White House. The neoliberals lowered taxes for the rich, while deregulation policies led to greater financial insecurity and lower salaries. From this point onwards, millions of Americans were forced to incur debt in order to maintain their standard of living, and public debt soared.



Total United States debt since 1952



Salary part in corporate added value

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The United States are not an exception: in the 15 richest countries of the OECD, salaries represented 67% of GDP in 1982, and now represent only 57%.

In a context of mass unemployment, what employee can negotiate a raise in salary? Who can 'resign' in the hope of quickly finding new employment? "If you don't like it here, just go somewhere else." Fear of unemployment haunts us all, and the amount of capital that goes to salaries from generated wealth has fallen to a historic low.

"In the Eurozone, each year companies take the equivalent of 1% of GDP more from their employees' pockets than in previous years" explains Patrick Artus, director of research at Natixis.

For years the economy has continued to grow solely because the purchasing power that wasn't provided through salaries was distributed through debt: "Without the increase in the level of household debt, growth would have been at 0% in the Eurozone since 2002", adds Artus. "And prior to 2002, growth was fostered essentially by corporate debt."

All in all, in 30 years time, significant sums have gone to financial markets instead of to employees - and hence also to the government through VAT (value-added tax). Has this money benefitted research and investment? No. All studies show that investment and research funding has stagnated. These colossal funds have been appropriated by a small number of individuals. For months, Europe has been struggling for find €110 billion to save Greece while the accumulated fortune of 0.2% of the world's richest people is estimated to be €39,000 billion!

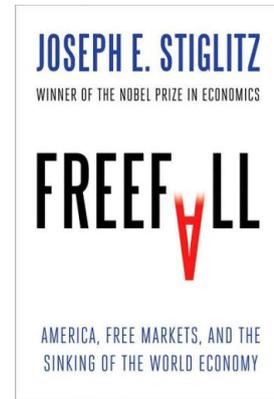
In 2008, it was generally maintained that the crisis was the result of rampantly deregulated capitalism and an unbearable level of inequality. Joseph Stiglitz denounced "the triumph of greed". In 2007-2008, the diagnosis was clear: 'As with the 1929 crisis, the crisis arose from an unacceptable level of inequality. It is the result of deregulation and neoliberalism.'. Yet for months, because of the Greek situation (where State and non-State organizations are largely responsible for the crisis), the "welfare state" has once again been assigned the blame.

WHAT A DRAMATIC REVERSAL!

Because of the situation in Greece, the neoliberals are back on the front with outrageous indecency.

The question of government debt is obviously very important- it amounts to between 80 and 90% of GDP in France and in Germany, for example. But instead of cutting pensions and funding in the health and education sector, shouldn't we be using all possible fiscal tools to recover a sizeable proportion of 'market debt'? If indeed we consider that fair and equitable sharing between employees and shareholders was effective in the 1970s, then 0.2% of the world's richest people owe significant sums to the peoples of our countries.

This means in no way to minimise the responsibility (or irresponsibility) of governments and citizens, but merely to provide the most accurate diagnosis possible of the situation.



If the diagnosis is wrong, we have no chance of curing the ill.

Confronted with a global crisis, we must provide a global response. The source of the crisis is 30 years of unemployment and financial insecurity. The proportion of salaries in added value has fallen greatly because of mass unemployment. It is also because of unemployment, temporary jobs, and small salaries that our economies are in increasing need of debt. Unemployment is not only a consequence of the crisis, it is also one of the main causes.

To eliminate our dependency on debt, we clearly have to regulate markets and tax the highest incomes; but we must also, and above all, directly deal with unemployment. It is only by giving real employment and a real capacity to negotiate salaries to the largest part possible of the population that we, will eliminate our dependency on debt and get out of this crisis for good

In 1944, before calling the Bretton-Woods summit conference to rebuild the international financial system, Roosevelt organised the Philadelphia summit with, as its absolute priority, the observance of a certain number of societal rules. 'There is no sustainable peace without social justice,' declared Roosevelt and the other heads of states before outlining rules on salary, working hours and the fair and equitable sharing of salaries and dividends... solid rules to be respected in each country as well as in global trade. Before the neoliberals managed to dismantle them, these rules ensured 30 years of prosperity without debt.

GOOD NEWS!

Since it was political decisions that led us into this crisis, other political decisions

A global response for a global crisis

can get us out of it. There is no inevitability, no hand of Destiny that unrelentingly leads us towards chaos. Our future is in our hands!

A final element of diagnosis: the seriousness of the financial crisis and the social crisis may lead us to forget about the energy crisis, the climate crisis and the food crisis. All the studies published for the Durban summit show that climate change is speeding up. This summer, in several regions of France, farmers had to slaughter part of their cattle because of the drought, and at this very moment, hundreds of millions of people are suffering from hunger around the world. We have but a few years before us to take action, if we want to avoid climate and energy issues producing drama after drama -- not to mention serious armed conflicts.

'Never has a generation had to manage so many crises of such scale at the same time' wrote Henry Kissinger recently in the International Herald Tribune.

The scale of the task must not discourage us:

1. We have no choice. We are talking about our lives and the lives of our children. Looking away or counting on a miracle is impossible. We must take action if we do not want to undergo a crisis
2. Instead of hoping for the miraculous and providential action of one man or woman that will never come, we must join together,, discuss and act together. We can rise to meet this challenge and impose our solutions in the public debate.



THE FIRST BATTLE TO WAGE TODAY A BATTLE OF MINDS

Confronted with the neoliberal counter-offensive, and faced with populist trends in many countries, we must do everything to make sure that the debates in 2012 – both the debates on the European Treaty and the debates with and within the newly elected French government - are based on a clear diagnosis:

1. The crisis towards which we are heading, if we do not change policies quickly, may be more serious than any of the crises that we have experienced in 30 years. We must call a halt to empty dialogue and half-hearted measures, and devise and apply emergency remedies.

2. It is first and foremost a crisis of deregulated capitalism and not of the welfare state. 'No one dares refer to capitalism anymore', explained Michel Rocard in 2007. 'I am the only one to use this word, while this system is going through a crisis that is suicidal for Mankind. We, socialists, should be well positioned to explain it and take action.'. 'Social democracy has fallen silent concerning what it once deemed its main enemy' Stéphane Hessel and Edgar Morin regretfully state. .

Many left-wingers prefer to remain vague in their analysis of the crisis because they are afraid of 'looking like awful Marxists'. Surprisingly, Michel Rocard, whom people sometimes find too 'centrist', is one of the few to say things frankly. When the OECD shows that the proportion of salaries in the GDP has fallen by 10%, when the International Herald Tribune declares that never in 80 years has the proportion of GDP that goes to shareholders been so high, when the director of research at Natixis writes that 'each year companies take the equivalent of 1% of GNP

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from their employees' pockets, on top of what they have made in the previous years', we would hope that the left might contribute a clear analysis of the crisis to public debate and appear less on the defensive. All the more so seeing as the neoliberals continue their ongoing attempt to cloud the issue and place the brunt of blame for the problems on the welfare state...

A DEADLY CONFUSION

This question of a clear diagnosis is essential. It is in no way secondary or 'theoretical'. If we are somehow able to dispel the current confusion, if we manage to make the largest possible part of the population aware of our double diagnosis of the seriousness and true nature of the crisis, then it will be possible to build a wide and quick consensus over solutions. This is how the french National Council of Resistance was able in 1944 to create a wide consensus among Gaullists and Communists around measures of social justice.

On the other hand, if confusion settles in for good, if insult and the search for scapegoats replace rational analysis, it is likely that the system will collapse before we can manage to change policies.

In 2011, all over the world, countless citizen movements stimulated public debate. In the United States, Occupy Wall Street has caused Barack Obama's position to evolve considerably.

THIS IS WHY WE HAVE CREATED THE ROOSEVELT COLLECTIVE 2012.

It brings together men and women from different backgrounds, but all of whom share the same feeling of urgency and the same desire to take action for social justice.

Our objective is simple: to use all possible resources to promote among the greatest possible proportion of the population and impose upon our leaders, 15 radical but realistic measures to tame the financial market, to deal with unemployment and finally build a democratic Europe, capable of effectively dealing with globalisation.

'We must not count on those who created the problems to solve them' declared Albert Einstein. Politics are too important to be left to political parties.

Had the people waited for the diplomats to agree, the Berlin Wall would still be standing. In 1989, it was mere citizens who stood up and brought down a political system that persisted in denying Mankind its dignity.

"Each one of us, however powerless or insignificant, can change the world", wrote the late Vaclav Havel, dissident and "president-philosopher" of the Czech Republic from 1993 to 2003, a few weeks after the Berlin Wall fell.

In 1989, it was just such "insignificant" women and men who changed the course of history. Twenty years later, the neoliberal system, in turn, is falling apart. It is up to us, the citizens, to say in what kind of society we aspire to live. A society of injustice and chaos -- or a society of harmony and fraternity? The choice is ours. It is up to us to act.

www.Roosevelt2012.com