



## LAROCHE: 'WE'VE GOT TO HELP GERMANY— WITHOUT SUSTAINING A STABLE GERMAN SYSTEM, WE CANNOT PREVENT WAR'

July 11, 2016—The trans-Atlantic financial system is at an imminent blowout point, and what's happened just in the last day, Italian Prime Minister Renzi had made a statement during a joint press conference with the Swedish Prime Minister, saying that, while Italy's banks are in big trouble and need a bail-out, this is very minor compared to the major European banks that are facing a massive derivatives blowout. He was referring very specifically to Deutsche Bank which has \$75 trillion in derivatives exposure and is being universally described as the biggest single source for a new systemic blowout.

Renzi was putting pressure on Merkel and especially German Finance Minister Schäuble to back down and allow Italy to abandon the bail-in requirements that have been enforced in Europe since January 1st, to do a bail-out of Monte dei Paschi and other Italian banks.

What actually has happened since then, is that Deutsche Bank has publicly come out calling for a massive European bank bail-out, obviously starting with themselves, and that basically they are calling precisely for a cancellation, temporarily at least, of the bail-in rule. This is a statement that was made by Deutsche Bank's chief economist David Folkerts-Landau in *Welt am Sonntag* on Sunday. He says, the banks need a EU150 billion bail-out to recapitalize, and it has to be done without bailing in the bondholders and depositors.

In response to these dramatic developments, American political economist Lyndon LaRouche issued a dramatic call for action:

“Exactly what we have to do is support, the fact of a temporary reorganization of the economy of those banks, and we have to secure that in order to stop the bleeding. In other words, the point is, stop the bleeding and integrate and bring in conditions which will enable us to sustain that kind of operation.

“In other words, you've got to create, because the whole German economy is a crucial thing. It's a mess. We all know it's a mess. It's been a mess; it became a mess — Schäuble and so forth have made it a mess! We know that. But we're not going to shut down the German economy on the basis of the fact we got a bunch of crooks or suspected crooks who might be in certain departments. What we're going to do is, we're going solve this thing; we're going to fix it and we're going to back it up, for a one-time backup.

“Clean the whole thing out, set up a program which will secure the banking system of Germany to function. Once that has happened, now you can work from there!”

Such a one-time move would necessarily involve cancelling out this \$75 trillion in derivatives and going in a direction a bank separation and the sorts of things that would allow for credit to the real economy.

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LaRouche elaborated:

“You've got to qualify the thing further, saying we are doing it as a one-time operation, for the sake of saving the economy. That's it.

“This is a rescue of the economy, despite all the mistakes made, we're going to take it one time, because we're going to try to save the economy of Germany. And that's what's at risk. And Schäuble is not a useful person, nor is Merkel.

“We've got to help Germany, because without sustaining a stable German system, we cannot prevent war!

“What we need is a program which gives credit to the German economy, a one-time German economy credit. And you have to present it that way, and put it to people that way for giving them confidence in what they're doing, and telling them 'don't do what you did before.' That's the point.

“You have to say to the Germany economy, 'Look, you've made mistakes, serious mistakes. Now, we're going to bail you out, but you're going to have to obey yourself; you're going to have to get on the job and do what you should do, and don't try to cheat any more.'

“I'm saying, Germany is an emergency case. We have to organize the thing in such a way that Germany can escape from this problem.

Assuming that the organizations of the German economy are going to operate, in such a way as to win the battle.

“And Schäuble is not really high on my level on that, you know.... But concentrate essentially on the provisions which must be made, which enable this thing to go. You've got to have some system, which will secure the system of the German economy, the financial economy, and you've got to do that; and you've got to make it work. If you don't, you're going to go into chaos.”

LaRouche referred to the period of 1989, when the Berlin Wall came down and Germany was moving towards reunification, and the Helmut Kohl government was looking to revive economic and political ties to Eastern Europe and what would soon be post-Soviet Russia:

“We had a case at that time of a great leader, of the economy of Germany, who was assassinated by the French—Deutsche Bank President Alfred Herrhausen. So we don't want another Herrhausen abuse. Let the Germans be free, and let the others go into the pen. I mean, because that's what happened. Because you had a point here, you had a leading figure for the leading office of German policy, and you shut that down, and you moved the thing out to a different way, you destroyed the beginnings of the German economy!

“So we have to tell some of the people in that area that they made a big mistake and they should be a little bit more generous in their matters of dealing with this thing.”

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