



## WITH DERIVATIVES BLOWOUT COMING, THE WEST MUST JOIN PUTIN'S WORLD

August 17, 2016—The Bank for International Settlements has prepared a paper for the upcoming G-20 heads of state summit in China, warning that a blowout of the derivatives market could happen at any moment, and the clearinghouse system is totally unprepared to handle such a shock. Remember that Deutsche Bank has the biggest derivatives exposure of any bank in the world, and it has counter-party contracts with almost every TBTF bank in the United States, Europe and Japan -- and Deutsche Bank has been correctly described as a "dead bank walking." Best estimates are that the global derivatives trade is still well-over one quadrillion dollars, even after losses this year that have already piled up.

At this late moment, there is only one option left for the thoroughly bankrupt trans-Atlantic system: Reinstate Glass-Steagall, cancel all of the derivatives contracts, go back to a Bretton Woods-type fixed exchange rate system, and launch a massive capital investment in projects that boost real productivity through Hamiltonian national banking methods, including a crash effort to achieve fusion power. This is the heart of Lyndon LaRouche's Four Cardinal Laws.

What that translates into, in real-world terms, is that the West must abandon the dead British System and finally join in the new Eurasia-centered system that is rapidly coming into being, under the overall political leadership of Russian President Vladimir Putin and through the realization of the Chinese One Belt, One Road program. On Monday, the first refrigerated freight train left the Chinese port of Dailan, bound for Moscow, a journey of 8,600 kilometers, that will be completed in ten days time. This is the latest leg of the OBOR, and it highlights the Russia-China collaboration.

In discussions with European colleagues on Aug.

15, Lyndon LaRouche declared that we are on the edge of a great victory for mankind. The nations of Eurasia, he elaborated, are establishing a grouping, centered on leading Asia-Pacific nations that are growing rapidly, in stark contrast to other areas of the world which are sick and are dying economically. South America has been taken over by rapists, France is a failure, Spain is a catastrophe. The focus must be on those leading nations that have taken the initiative in this development process. Putin, LaRouche continued, has emerged as a driving force in this Eurasian alliance. There are forces moving inside the United States, particularly in Manhattan, who can join in the Eurasian-led effort to crush the British System, which has been the enemy of mankind for the past centuries. Germany, if it to survive, must join this Eurasian development, which means dumping all of the policies associated with Merkel and Schaeuble.

Russian President Putin, over the past several years, has played a pivotal role in organizing a force of nations, largely centered in Eurasia, who are taking on the characteristics of a military force that can change everything, and can win the war for peace.

In the coming weeks, that emerging alliance will be at the center of a series of historic meetings: The East Economic Forum in Vladivostok, Russia; the G-20 heads of state meeting in China; the China-ASEAN heads of state meeting in Laos; the United Nations General Assembly session in New York City; and the BRICS heads of state meeting in India. This density of activity, between now and the middle of October, provides a unique opportunity for this new emerging global leadership to set the course of history, and bring an end to the bankrupt British System.