



ONLY GLOBAL SOLUTIONS, BASED ON NEW PRINCIPLES, CAN WORK

November, 22, 2016—Any frank assessment of the global situation at this moment must begin with a clear recognition that the entire trans-Atlantic financial system is hopelessly bankrupt, and must be replaced by an entirely new architecture. The too-big-to-fail banks are all dead, starting with Deutsche Bank, the Royal Bank of Scotland, and all of the Wall Street TBTF institutions. The Wall Street bank holding companies are holding \$252 trillion in derivatives exposure, with only \$14 trillion in dubious capital backing up those volatile gambling bets. The Italian banks are run by a criminal oligarchy, as the Italian population is being hard hit with murderous austerity. The same is true in France and elsewhere throughout Europe.

What is needed is an entirely new credit system, drawing upon those regions of the world—principally Eurasia—where genuine growth in productivity is taking place. Such a global reorganization is the only way to save entire nations that are now dying. The key question is: How will major powers, particularly China, Russia, and the United States, adjust to what is now feasible in the emerging post-Obama circumstances? Face it: Obama is political poison, and the sooner that he is gone from the political scene, the sooner that the needed changes can be launched.

Clearly, the immediate reinstatement of Glass-Steagall is the vital first step, but it must be recog-

nized that, as the result of the policies of the last decades—particularly the last 16 years of Bush and Obama—a great deal of damage has been done, and it will be difficult to quickly undo the damage.

Germany can be a keystone for these changes, but Merkel has got to stop her protection of an already-dead system of trans-Atlantic power. She should give Russian President Putin the space to operate. If Putin and Trump can establish direct contact and work out some solutions, it will work. Eurasia is already operating in a way that is boosting genuine productivity. Much of the rest of the world, however, is starving. Putin understands these successes of Eurasia—he knows Asia is far better off than Europe. Trump has an instinct to understand the same thing.

The model that must be adopted is the actions taken by President Franklin Roosevelt in his first 100 days in office. This is going to require some hard kicking by a concert of world leaders. But it can and must be done. There is no alternative.

This was a major subject during the just-concluded APEC heads of state summit in Lima, Peru, where Chinese President Xi Jinping has also made state visits to Ecuador, Peru, and Chile a part of his itinerary, and where a mobilization is underway to build the trans-oceanic railroad, linking the Atlantic coast of Brazil with the Pacific coast of Peru.

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