

## GLOBAL FINANCIAL CRASH AND DANGER OF WAR!

# Is It One Minute Past Midnight?

By Helga Zepp-LaRouche, chair of the German political party Civil Rights Movement Solidarity ([BüSo](#))

Oct. 7—A perfect storm is brewing: The Damocles sword of an imminent collapse of the trans-Atlantic financial system is hanging over the world, while the closely related strategic confrontation between the United States and Russia could shift at any moment from the now ongoing Cold War into a direct military confrontation—potentially the end of mankind. There is a way out, but it requires dumping geopolitics immediately, and thinking in terms of a completely new paradigm.

“How hot will the new Cold War be?” was the headline of *Bild-Zeitung* Oct. 7. The German government’s special coordinator for Russian policy, Gernot Erler, no longer rules out a direct military confrontation between the United States and Russia; Wolfgang Ischinger, head of the Munich Security Conference, considers this danger to be “significant.” Security experts Steven Simon and Jonathan Stevenson in the *New York Times* of Oct. 6, warn: “But the truth is that it is too late for the United States to wade deeper into the Syrian conflict without risking a major war.”

This danger is absolutely real, but the way the acute war danger is presented in most Western media can only be deemed pre-war propaganda, which demonizes the prospective war opponent—in this case, Russian President Vladimir Putin. The suffering of the Syrian population is intolerable, but the chronology of events leading to it has been suppressed. Who is responsible for the policy of regime change? Who has played the “Islamic card” against the Soviet Union since 1975 and

built up the constantly renamed grouplets—from the Mujaheddin to Al-Qaeda, Al-Nusra, ISIS, and others—and supplied them with weapons up to the present day, as journalist Jürgen Todenhöfer, among others, has stressed in recent interviews?

Who has covered up the true circumstances behind the September 11th attacks? Who has launched the wars against Afghanistan, Iraq, Libya, and Syria on the basis of well-known lies? Who turns a blind eye to Saudi Arabia’s barbaric war in Yemen?

### ‘Deep Emotional Breakdown’

Secretary of State John Kerry and Russian Foreign Minister Sergei Lavrov had just negotiated a ceasefire in Syria when the U.S. Air Force “by mistake” bombed positions of the Syrian army which had been known for months, killing 60 soldiers and wounding one hundred—only to then blame Russian forces for the attack on the UN aid convoy in Aleppo, while providing no evidence whatsoever. The Russian government hence concluded that the Obama Administration was out to



Free Syrian Army soldiers cleaning their rifles in Aleppo. Like Al-Qaeda, Al-Nusra, and ISIS, the Free Syrian Army is a surrogate for the regime-change powers.

wikipedia

sabotage Kerry's strategy. It suspended the treaty for the disposal of weapons-grade plutonium with the United States, and announced the deployment of S-300 and S-400 anti-missile defense systems to Syria. Given this situation, demands for the establishment of no-fly zones and so-called safe zones along the Turkish border with Syria—which could only be enforced by military means—are a direct declaration of intent to confront Russia.

The spokesman for the Russian Defense Ministry, Igor Konaschenko, warned all those who were toying with the idea of direct military operations against the Syrian army that the S-300 and S-400 anti-missile defense systems had surprises in store for them, and warned against the illusion of being able to deploy stealth bombers. Russian Deputy Foreign Minister Sergei Ryabkov commented on Washington's announcement that it was abandoning any cooperation on a Syrian diplomatic settlement, that the decision makers in the United States are letting themselves be guided by emotion, rather than cool calculation. He said: "They are making every decision against the backdrop of a deep emotional breakdown."

### **The Banking Absurdity**

One can also assume in good conscience that the decision makers in the United States are not being guided behind the scenes by cool calculation in the case of the trans-Atlantic financial system. Because if they were, they would admit the total bankruptcy of the neo-liberal monetarist system and carry out an immediate reorganization on the basis of a global Glass-Steagall/bank separation system. Instead, the IMF and the World Bank at their semi-annual Oct. 7-9 meeting in Washington sought to continue their bankrupt policy, and made the incredible argument that the rise of populist protest movements against their policies was responsible for the crisis. That was just as absurd as their demand that China and India restrict their issuance of credit. The IMF criticized precisely those two nations that are the motors of growth in the world economy!

In private discussions among several participants in these meetings, the participants were horrified to realize that the entire European and American banking system is not only hopelessly bankrupt, but that its



State Department Photo

*Secretary Kerry and Russian Foreign Minister Lavrov speak to the press before a bilateral meeting in Geneva, Sept. 9, 2016.*

criminal character has led to what is deadly for the financial sector—namely, a full-scale crisis of confidence. The unspoken problem was and remains Deutsche Bank, with its derivatives risk of 42 trillion euros—a sum about 12 times the annual Gross Domestic Product of the entire German economy! And all the banks which are allegedly too big to fail, are counterparties in Deutsche Bank's derivatives contracts, and can sink together with it.

The *New York Times* lamented Oct. 6 that Deutsche Bank could turn out to be the new Lehman Brothers, and quoted Harvard Professor Hal Scott, who said he hoped "there's a global game plan because that's what it would take. If Deutsche Bank sets off contagion, it would start in Europe. Who would be next? This would require global coordination."

### **The Only Workable Solution**

To avoid the meltdown of the trans-Atlantic financial system—looming in October or November, at the latest—which would lead to chaos worldwide and bring the war danger to a boiling point, there is only one workable solution: the immediate, internationally coordinated implementation of the Four Laws that Lyndon LaRouche proposed on June 18, 2014:

1. The immediate re-establishment of the Glass-Steagall bank separation system, exactly as Franklin D. Roosevelt established it in 1933. In practice, this would mean the cancellation of the vast majority of unpayable debts and outstanding derivatives contracts.

# 1 Glass-Steagall Bank Separation

*Franklin D. Roosevelt signs Glass-Steagall Act, 1933.*  
National Archives



# 2 National Banking Credit Creation

*First National Bank of the United States, Philadelphia.*  
Library of Congress



# 3 International Credit System

*Chinese-funded railway construction in Kenya.*  
beyase.com



# 4 Science Driver

*An artist's rendition of China's planned space station.*  
China.org



2. Every country must introduce national banking in the tradition of Alexander Hamilton, which will replace the current policy of credit creation—by independent central banks for the benefit of gamblers—with the model used by Hamilton, Lincoln, and FDR, as well as by the postwar *Kreditanstalt für Wiederaufbau* (Bank for Reconstruction) in Germany.

3. An international credit system must be created, tasked with raising the productivity of the real economy and the living standards of the populations of all nations, which can be done by promoting scientific and technological progress, and a real rise in the energy-flux density of the production process.

4. We need a science driver for the economy, namely a crash program for harnessing fusion energy and using fusion energy technology, and international cooperation on space research.

It is not surprising that the impulse for such a reorganization is not coming from the United States or Europe. The closest approximation to LaRouche's proposals was presented by China at the recent G-20 Summit in Hangzhou, where that nation proposed a new global financial architecture and the reform of the world economy on the basis of innovation and growth. It is to be expected that these proposals will translate into new initiatives at the annual conference of the BRICS nations, this year in Goa, India in mid-October. The importance of the banks that China and the BRICS nations have created—such as the Asian Interna-

tional Infrastructure Bank, the New Development Bank, the Silk Road and Maritime Silk Road Funds, as well as the Contingency Reserve Arrangement—will grow.

### Glass-Steagall Is the Next Step

As for the United States, Lyndon LaRouche has called for the U.S. Congress to immediately leave off election campaigning and return to Washington to adopt Glass-Steagall legislation. Given the tremendous opposition from Wall Street, that won't be an easy task, but the power of Wall Street has shrunk enormously because of the anger of the population over the criminal character of many of these banks that are going bankrupt, due not least to the growing financial fines for their frauds. The sale of toxic paper to credulous clients, the LIBOR manipulation, the million-fold creation of fictitious accounts, accounting fraud, money-laundering, and on and on—the list of crimes is enormous.

The broad mobilization in the United States by the LaRouche movement and relatives of the victims of 9/11, the first responders, firemen, and of other institutions led to the game-changing vote in Congress to

override President Obama's veto of the Justice Against Sponsors of Terrorism Act (JASTA). Now more than 200 organizations are building on this success, making the stance of Congressmen and Senators on Glass-Steagall the criterion for their re-election in November and confronting them with their responsibility as they campaign for re-election.

In Europe too, we must force the parliaments—through a broad-based mobilization of the population—to end the casino economy with the immediate adoption of Glass-Steagall banking separation laws, in order to reshape economic policy according to LaRouche's Four Laws, and to rebuild—together with China, Russia, and hopefully a United States reorganized under Glass-Steagall—the countries that have been destroyed by senseless, barbaric wars. The development of the New Silk Road in the Middle East and Africa is not only the sole humane solution to the refugee crisis, but also a test of Europe's moral fitness to survive.

The war danger can only be overcome if we replace geopolitical confrontation with a totally new paradigm of international collaboration for the common aims of Mankind.

## REVIVE GLASS-STEAGALL NOW!



"The point is, we need Glass-Steagall immediately. We need it because that's our only insurance to save the nation... Get Glass-Steagall in, and we can work our way to solve the other things that need to be cleaned up. If we don't get Glass-Steagall in first, we're in a mess!"

—Lyndon LaRouche, Feb. 11, 2013



LaRouchePAC is now leading a nationwide effort to push through legislation for Glass-Steagall ([www.larouchepac.com](http://www.larouchepac.com)).

**WATCH** the [LaRouchePAC video](#):

**'Glass-Steagall: Signing a Revolution'**

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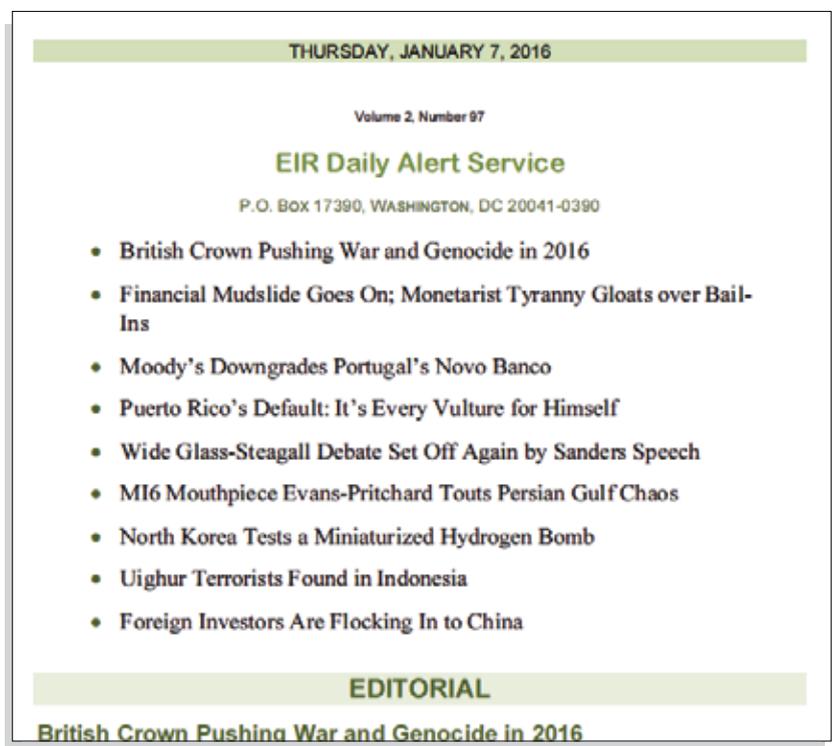
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