

In Germany, the government would be well advised to recognize that all its members have sworn an oath of office to protect the German people from harm. Concepts of how to do that, in the face of the international conflagration of the financial system, have not been put forward in any way.

Liko-Bank, equipped for insuring deposits in an emergency, was already nearly depleted by the losses of the German subsidiary of Lehman Brothers, shedding further light on how inadequate the allegedly so secure protection of savings deposits is in Germany. When the Paulson plan hit the skids politically, the European central banks, the ECB, the Swiss National Bank, and the Bank of England reacted by making available to the investment banks, as they had before, seven-day loans of about Eu74 billion, thereby demonstrating that they are apparently still determined to keep refinancing the interbank borrowing and swaps with credit derivatives.

In the face of the fact that the world finds itself in an advanced state of meltdown, the flap over the transfer by KfW of over Eu500 billion to Lehman Brothers,

after the news of its insolvency was out, was, if anything, a diversion from the real problem. And surely, there was a certain degree of negligence, as well as a certain automatism in play, in which the seven-hour time differential between Europe and the United States played a role.

But such ill-advised money transfers are happening more often. Chase Manhattan transferred money to Herstatt Bank, which had gone bankrupt back in the 1970s. After a protracted legal battle, the Bundesbank stepped in and refunded the sum, for reasons of goodwill. It would thus be only fair, if today the Fed would likewise refund the money to KfW, for reasons of goodwill.

On a more fundamental level, one thing must be clear: Only if the decision is made in time, to put the hopelessly bankrupt financial system into an orderly bankruptcy proceeding, and to establish a Bretton Woods system such as that which Franklin Roosevelt conceived in 1944, and Lyndon LaRouche represents today, will we emerge from this crisis.

Helga Zepp-LaRouche: LaRouche Was Right!

On Sept. 22, 2008, Helga Zepp-LaRouche, the Federal Chairman of the Civil Rights Movement Solidarity (BüSo), issued the following press release to the media news departments, concerning the current financial crisis:

The host of financial policymakers, experts, economic journalists, and commentators, who, in recent days, have undertaken to mutually attest that no one could have foreseen the presently exploding systemic crisis, have, by doing so, announced one thing above all: that they should all definitely find a new profession.

Now, Nadine Oberhuber has written in the *Frankfurter Allgemeine* newspaper of Sunday, Sept. 21, in an article headlined "Collapse or Rescue," concerning a scenario circulating among economists, that "the central core of the system is threatened. The process has long since begun, and can no longer be

stopped. When Lyndon LaRouche, the opponent of the financial system, presented this thesis, everyone laughed. But, in the meantime, also distinguished economists have said this."

I'll venture another scenario: The laughter will soon vanish, if it hasn't already stuck in the throats of those who were laughing. Moreover, Ms. Oberhuber should get some coaching in her grammar, as she used the modal adverb "also" incorrectly. For throughout the entire world, among those persons who have a concept of the real economy, Lyndon LaRouche is esteemed as the most distinguished economist, who in fact has always been right in his forecasts, while the entire host of free-trade PR men failed pitifully.

Unlike the ideologues of "free-market economics," LaRouche does not make his analyses as a variant of tea-leaf reading, but uses a scientific method rooted in that of Leibniz, Riemann, and Carey. I recommend in addition, to Ms. Oberhuber and all others, to watch Lyndon LaRouche's webcast of July 25, 2007, at www.larouchepac.com, in which he correctly forecast the future of the financial system, *three days before the beginning of the subprime crisis in the U.S.A.*