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## III. Save Deutsche Bank

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### THE GERMAN QUESTION

# The Spark for the Collapse, or a Driver for World Development

Aug. 20—If Deutsche Bank is allowed to descend into an uncontrolled collapse, exploding the largest pool of derivatives among the world's banks, not only will the German economy be destroyed, but all of Europe and the United States with it. And yet, that is what is on the agenda, literally any day. Yet another voice from the financial elite screamed the alarm Aug. 16: "Deutsche is in more trouble than people realize," said Brad Lamensdorf of Ranger Equity Bear in an interview with *The Express* of London. "Something is very, very broken."

*Die Welt* of August 13 headlined their story on Berlin's impotence: "The Fears of the Powerful Faced with Deutsche Bank," and proceeded to quote an anonymous government source that nobody knows how bad Deutsche Bank's derivatives portfolio actually is. They report that when Finance Minister Wolfgang Schäuble was asked about the bank at the G-20 Finance Ministers meeting, he could only comment tersely, "I'm not saying anything about that."

"Nothing is stable in the European banking system," said Lyndon LaRouche in response on Aug. 17. "The German economy is on the edge of an explosion. Merkel and Schäuble are trying to manage the impossible. They must go. It's only a question of when the break will occur." Germany must make a decision to cast off the London and Wall Street-centered derivatives and related speculative toxic assets. Deutsche Bank competes for the top of the list of the 10 banks in London, which, as mutual counterparties, control over 92% of London's derivatives

turnover,— which is in turn 46% of world derivatives turnover,—just among themselves! Way behind London, Wall Street and the United States come in with 24% (in 2011). This is what led the IMF to call Deutsche Bank the most dangerous bank in the world.

There is a means to solve this crisis, but only if leaders emerge immediately in Germany to restore stability. This requires, first, the recapitalization of Deutsche Bank under a new regime which writes off the worthless derivative bubble and restores commercial banking under Glass-Steagall-style regulation. Deutsche Bank must be returned to the policies of its former Chairman Alfred Herrhausen, murdered in 1989 by still-unidentified assassins. If that is done now, LaRouche said, then Germany, in cooperation with Putin's Russia, can avoid a sudden crash and drive a new paradigm of cooperation between the trans-Atlantic nations and the Russia-China partnership which is now leading the world economy forward, despite the Western collapse.

In her July 29 speech at the Chinese led G-20 Think Tank (T20) preparatory meeting in Beijing, Helga Zepp-LaRouche called for a global Glass-Steagall to be linked to the global adoption of the World Silk Road growth plan at the September G-20 Summit. As the European Union is dysfunctional, as the case of Deutsche Bank demonstrates, the responsibility and necessity rests now upon Germany to prevent a chaotic financial collapse and show the way of cooperation with Russia and China.