

# EUROPE'S ONLY CHANCE FOR SURVIVAL

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*On July 11, 2011, Lyndon LaRouche issued the following emergency statement, in the course of a policy review with colleagues on both sides of the Atlantic. For mobile video, and more information, please see the QR code and website address on back.*

What happened with Tremonti's ultimatum to the prime ministership in Italy means that Tremonti has tipped the wagon. He's made a proposal, which if he were to be fired—Tremonti—that would collapse the entire European system in a chain reaction collapse. Now, I've had some conversations with Tremonti in the past, and these are not irrelevant at this moment. Now, what's happened is, the whole system of Europe, economic financial system of Europe is rotten to the core. There is no way this system could survive. The only question is: Is the collapse going to occur overnight, or sometime near that? This is the end of the system; and if a wrong move is made, a wrong choice of move is made, the whole world will go very soon — in a matter of days — into a general collapse.

Now, I'm the one. I'm the gravedigger of such follies; that is my function. And I'm not going to use a shovel; I will use a steamroller. What that means is, we are going to do the following: The situation of Europe is absolutely hopeless, with the present system. We've now reached the point of a total breakdown crisis, because the whole system has reached a point which I knew was going to come. It's going to collapse; one way or the other. Now, the only way it could be rescued would be by the United States, because the present European system has no provision for dealing with a crisis like this. A game had been played, particularly by the British and by Wall Street. A game had been played, which is now blown up, and they're trying to hold the thing together with baling wire, or something. We have the solution.

First of all you have, the problem is Europe has the same kind of problem that we in the United States have — the same type of problem, not exactly the same kind, but the same type. There's no way that this system can continue to exist, because there is no way to at the same time, increase the debt — the worthless debt — as an obligation to crush the physical economy of Europe and the United States, and elsewhere. There's no way you can liquefy this

process; none. You have to wipe out vast amounts of the current debt. And obviously, we're going to wipe out the useless one, the purely parasitical one, and we're going to use as an ingredient the model of Glass-Steagall. Now Glass-Steagall essentially takes all the garbage, all the debt garbage in Europe of the type we can not pay, and we're going to give it to the relevant merchant banking system. It's yours! It's all yours! You wanted it; now you're getting it! Nice? Sweet? Oh, it's sweet. You don't know how sweet this is; you have not yet assimilated what I've thought about this. You will soon, with our help, just to make sure you all have a fair chance at giggling.

The time has come for that, because if Europe goes, the United States goes. If the United States goes now, Europe goes. Therefore, they have no option. Behave, or die; that's their option. And they have no remedy for it; no solution, except an attempt at dictatorship. And dictatorship will blow up dictatorship. Because the attempt at scrambling and establishing it, will cause confusion and the whole thing will disintegrate. In this moment, if we have the will and capability, we're going to change the world. The time has come! Numbers don't count! Policy counts; the policy that represents a solution is what counts.

This system can not live any longer. The death knell has sounded; the death rattle has sounded. And all the fools who have ever opposed us — we're laughing at them. Damned stupid fools! You thought that you were smart; you knew how to do something that we didn't know how to do. Well, you've just learned your lesson. You never had it.

So, the first thing is going to be, the first item will be a statement of the policy to deal with the present world crisis as now being detonated — both from the President of the United States currently, with his idiocy, in synchronization with a crisis in Europe which is the most deadly crisis that Europe has experienced since World War II. It's on now; tonight and tomorrow. The drums are beating, the game is over, and we know what to do; at least I do.

## **A Credit System**

What we have to do is establish in place of the present system, we

have to establish a credit system in the world. Why? Because the only way you can save Europe is, you have to do a Glass-Steagall type action first. That's only the first step. The Glass-Steagall type action means that whole categories of debt are given to a merchant banking system to see if it can eat it. It's no longer the responsibility of the institutions of governments. It's thrown away; it's gambling debt, it's "boardwalk" money, it's coupons for play money—coupons which are now being called value. Burn it!

All right. So, that's number one. Europe has to take a Glass-Steagall type standard immediately, otherwise it can not solve this problem. No possible solution. Most of the assets, so-called, are fake. They are nominal paper with no backing, except the ability to loot and kill people in Europe and elsewhere. You've got a choice: You want to kill people? You want to mass murder people, in order to try, futilely, to defend these values? You want to try to set up a dictatorship where there's no value to buy the instruments of dictatorship?

So, therefore, what they have to do is, Europe has to go into bankruptcy. Now Europe could not survive that operation, because the amount of debt, of worthless debt, far exceeds other needs, and far exceeds the assets. Therefore, you're going to have to destroy those fake assets. You can not bail it out with real money; you can not bail it out with the lives and bodies of people; can't do it. If you try to do it, Europe ceases to exist; it goes into chaos, into a Dark Age beyond anything you ever dreamed of before. And that situation is right now. So therefore, what's the remedy?

Europe, if it cancels all the worthless debt, will be bankrupt. What's the solution? The Alexander Hamilton solution, as practiced on the Constitution of the United States. We cancel the trash, we honor the legitimate debt, that is in a legitimate form, and we utter a credit system in which we move the debt of the states, the legitimate debt of the states, the legitimate debts of the nation, which are now located in the states, the same way we move it into a credit system, the same way as was done in the formation of the U.S. Constitution. That's what works; it's the American System, the real American System.

Now, in that way, we can survive. Why? Right now, the amount

of actual fungible credit represented by the existing debt of the United States, can not be paid, can not be sustained unless as under a Glass-Steagall provision, which is what the U.S. Constitution already had before Glass-Steagall existed.

At that point, we now have an entity which is not money. It's a denoted debt of a credit system, not a monetarist system. The debt of the United States no longer depends upon money. This is what the United States was constituted to be. This is the difference between the United States and Europe, and has been ever since, since that discovery. So therefore, Europe can not survive. Well, if they should happen to join America and the United States in a similar policy like a Glass-Steagall for Europe.

All right, so therefore, Europe is bankrupt. Now, how can they deal with this problem? Well, if the United States has taken the Glass-Steagall reform, which throws all this garbage out there, and says, you go out to Wall Street, and say "Hey! I've got good news for you! You can own it all yourself. We have nothing to do with it. We don't pay it; we don't owe it. It's not ours, it's yours! All yours! Wall Street, see if you can eat that. If you can't eat it, stuff it!" That's the basis of the thing.

Now, if we have a Glass-Steagall reform, if Europe has a corresponding measure or reform, we can save the trans-atlantic region, very simply. It's through a credit system of the type described by Alexander Hamilton in composing our Federal Constitution. In other words, we get rid of the crap! Take the crap, the unpayable crap, the worthless crap in the system — it's speculative money, that's all it is, pure speculation. Gambling money.

Ah! Now, therefore, how do we solve the problem? Europe can not come out with a balance of credit sufficient to maintain European industries and agriculture and other things. What do we have to do? We have to get a fixed-exchange-rate system, the Roosevelt fixed-exchange-rate system. That solves the problem. Because what we're going to end up doing, we're going to discount all the debt which is inflated debt, by the equivalent of a Glass-Steagall system. We just take all that crap — that's not legitimate debt!

*Statement continues at [LaRouchePAC.com/go/europe](http://LaRouchePAC.com/go/europe)*

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