



LaRouche Warns Europe: Don't Make the U.S. Mistake; High-Gain Creditors like Santander Have to Take the Hit

February 10, 2010 (LPAC)—On the eve of the EU Summit, LaRouche warns Europe: don't make the U.S. mistake of bailing out Wall Street; the high-gain creditors like Banco Santander have to take the hit.

With the European Union scheduled to hold an urgent summit on Feb. 11 to address the financial crisis sweeping the entire eurozone, the world's leading economist Lyndon LaRouche today warned European leaders: "Do not make the mistake that the US made in bailing out Wall Street. If you do that in Europe, you are going to sink Europe, because Europe is more vulnerable than the U.S. It is the high-gain creditors, like the London-run Spanish Banco Santander, that are going to have to take the main burden of the hit. Anything else would just reproduce in Europe a far worse form of the crisis we've experienced in the U.S."

In the lead-up to the Brussels EU summit, prominent voices have gone public with open calls for dictatorship and "empire"—exactly as LaRouche warned would occur under British sponsorship. According to the *London Independent*, EU President Herman Van Rompuy has sent a letter to summit participants, with secret annexes demanding that all member nations, not just crisis-wracked Greece, be put under supra-national EU receivership. The *Independent* quotes an EU source saying bluntly: "What we need is the same kind of mechanism that we have now imposed on Greece in order to monitor and survey euro-zone countries. So the idea is to put all European economies under surveillance. You can expect some important decisions to be taken this week" at the EU summit.

Simultaneously, EU Commission adviser Alberto Giovannini, who led the group that set up the technical transition from national currencies to the euro, is quoted in today's Italian daily *Il Sole 24 Ore* stating unabashedly: "History teaches us that empires are more efficient and achieve great prosperity, because the imperial model is successful with an extended geography."

Although much attention has been mis-focused on Greece, LaRouche has emphasized that the epicenter of the European crisis is not Greece but Spain, and its Banco Santander. For example, of total German bank exposure in the eurozone of some 540 billion euros, Greek debt accounts for only 43 billion, or 8% of the total. Spain, by contrast, amounts to 240 billion euros, or 44% of the total.

"The problem is Spain," LaRouche stated today, "and the problem is Santander. Santander is a chronic problem; it's not a problem that can be remedied by bailout.

"You have to write down the claims of institutions such as Banco Santander." The figures on Santander's phony assets in Brazil, the U.K. and Spain, LaRouche explained, "show that Santander has to accept a massive write-down of its claimed assets, because they are unsustainable. You cannot sink all of Europe for the sake of Santander and its associates of the Inter Alpha banking group," which includes Santander's immediate British controller, the Royal Bank of Scotland, run by the royal household.

"The whole system of the Inter-Alpha group is depending upon the blood-sucking rate of charges to Brazil, which cannot be sustained. Therefore, the write-down of the nominal assets of Santander, and what prove to be relevant associated parts of the Inter-Alpha group, is required."

LaRouche, as the most qualified international expert on the crisis, warned: "We have to preempt the situation; it's getting out of control. The U.S. case shows that bailout does not work: it's the high-gain creditors that have to bite the bullet on this one. Don't make the mistake that was made in the U.S. of bailing out Wall Street. Europe could not survive a commitment to do a Wall Street-style bailout in Europe. The high-gain creditors have to take the hit. That isn't going to solve the problem, but it's a way of managing the problem."

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Paid for by the Lyndon LaRouche Political Action Committee
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