

From the Debate: LaRouche on Schacht

“If there is future real production to meet this promissory note, all is well. However, if production is declining, relative to the rate of expansion of these promissory notes, then obviously what you get into is a simple process of refinancing promissory notes. And, when this refinancing process reaches the point of inflation that threatens long-term credit, then the refinancing of these promissory notes means the conversion—or, it tends to mean conversion—of long-term credit into short-term credit.

“And that, of course, leads to bankruptcy, which is precisely the problem we face, that when you get bankrupt, you hock somebody; maybe your grandmother, if you’re a certain kind of businessman. And, essentially what the capitalist system is proposing to do, is to hock the wages of the working class to pay these promissory notes, under conditions in which it is no longer possible to issue the damn things.

“That’s precisely what Schacht did.

“As I said, Professor Lerner attempts to divorce, again, Schacht’s proposal from the kind of govern-

ment that Schacht represented. The reason the German financiers supported Hitler, was not because they had any affection for Hitler. No capitalist, no financier, no Rockefeller, wants some pig like Göring coming in and grabbing up whole sections of his industry; or support legions of SS. But, if that’s the only way that the policy that Professor Lerner proposes can be implemented, and people run to it; if there is a fascist school in the United States, then the American financiers will support it, just as they did Hitler—not because the abstraction itself seems to imply a fascist state, but in order to impose these policies on the working class, the working class has to be atomized and suppressed; and there is only—under modern systems, there are only two kinds of government that do that:

“In an underdeveloped country, you can do it with a Bonapartist regime, like that in Brazil. In the advanced sector, where you have a very large working class, which is well organized, which has a trade-union tradition, you can break the working class only by atomizing it and suppressing it.

“And therefore, the *only* way that the kind of policies that Professor Lerner is talking about can be carried out, is by a Brüning and von Papen regime, succeeded by a Hitler regime, or its equivalent in the United States.

“And that’s what the practical issue is.”