

Editorial

Preempt Obama with Glass-Steagall!

There's one way, and only one way, to deal with the policy that President Obama is trying to ram through the Congress on the budget: Put through the Glass-Steagall law *right now!* Insist that Glass-Steagall's restoration is the first thing on the agenda, before anything else is up for debate.

That is the message which Lyndon LaRouche stressed in remarks to his associates Jan. 15.

What Glass-Steagall will do, is, it will cancel U.S. government responsibility for those parts of the economy which we're dumping by implementing the Glass-Steagall standard. Neither the Federal government nor the taxpayer will be responsible any longer for private gambling debts; the swindling Wall Street banks, which have received trillions in bailout funds, and continue to receive billions in bailouts through the Fed, will just be cut off. Glass-Steagall is going to *dump* a great mass of nominal money associated with what's coming out of the banking system.

In other words, when you cut off the private banking system, to clean out all the crap that's nothing but gambling debt, what you do, is you *reduce the national debt, by a very, very large ratio!*

Then you can take up the question of extending credit for necessary future progress, in order to rebuild the nation.

What's needed is clarity on what part of the debt is a real obligation of the government, and what is not, before anything else is done. Under Glass-Steagall, legitimate debts—especially those tied to physical production, and the general welfare—are regulated and backed up by the Federal government. Gambling debts, emphatically including the trillions which have been committed for bailing out the Wall Street banks—much of

which is still not counted on the books of the Federal government—are the responsibility of the private banks which incurred the obligation.

Under Bush and Obama, the Federal government has effectively become the protector, the very lifeblood, of those privateer bankers. *That must be stopped immediately*, unconditionally, before any sane measures can be taken on the economic conditions of the United States. Without Glass-Steagall, Obama and the Fed will continue to pile trillions of dollars of debt (hyperinflation) onto the backs of the American people, debt that will *crush and kill* those people. So, the rules have to be changed, now, by reimposing Glass-Steagall, immediately.

It's time for the Monopoly game to end. The whole system is bankrupt. The whole purpose of Glass-Steagall is to eliminate, burn, destroy, all this nominal money, which has no intrinsic value whatsoever! And to make a distinction between the value that exists in the economy, actual value that exists as physical value, efficiently physical, as opposed to the gambling money. That is the pathway to restoring U.S. credit, as opposed to the big gambling scheme, which the Obama Administration has committed the U.S. Treasury to backing up!

You can recover and salvage something which you can call an intrinsic value, as an economic process. But the bulk of the money and debt circulating in the entire U.S. system is, on net, worthless. And it's headed toward less than worthless, unless you cancel, absolutely remove from the accounts, all these phony debts.

We know exactly how to do it; Glass-Steagall will do it. It won't do all the cleanup, but it will do it. Without Glass-Steagall the United States cannot exist. Nor can the trans-Atlantic community.