

LAROCHE WEBCAST

Enact Glass-Steagall Now, To Halt Financial Breakdown

by Nancy Spannaus

Feb. 5—Thanks to the efforts of LaRouchePAC organizers, Washington, D.C. is abuzz with discussion of reenacting Franklin D. Roosevelt’s Glass-Steagall Act, as embodied in Rep. Marcy Kaptur’s HR 129, the Return to Prudent Banking Act. Only eight Congressmen—seven Democrats and Republican Rep. Walter Jones—have signed on as co-sponsors so far,¹ but intensive constituency pressure, ranging from phone calls to lobbying delegations, portends a rapid groundswell of support, as soon as Congress returns to anything like a full-time schedule.

Considerable effort is also going into getting a bill echoing Kaptur’s HR 129 introduced into the U.S. Senate, where there is considerable support, but a maddening lack of courageous leadership willing to take on the anti-Glass-Steagall President, and Wall Street.

Meanwhile, citizen activists are working to build pressure on Congress through seeking to pass memorials for HR 129 in their state legislatures. As of now, such memorials have been introduced in the Kentucky Senate (SCR 16), the Virginia Senate (SJR 273), the Montana House (HJR 4), and the Rhode Island Senate (S 10), and there are commitments to introduce others

in at least a half dozen more states. The Montana resolution has already been debated, and tabled in committee, but the sponsor is committed to continuing the fight.

The memorialization process, which was well underway in 2012 in many small towns across the country, is also being picked up by labor unions. The Greater Northwest Ohio AFL-CIO passed Resolution 5 in favor of HR 129 on Jan. 30.

LaRouche Reinforces the Agenda

Thus, when Lyndon LaRouche took the podium on Feb. 1 for his weekly LPAC webcast, he was addressing a viewership which was already on mobilization. What he added was the sense of urgency, and the outlines of the radical changes in the economic and financial system, which must be made immediately if the world is to avoid a devastating breakdown, even nuclear war.

“Glass-Steagall, we re-enact immediately, totally without any variation, Franklin Roosevelt’s Glass-Steagall law,” LaRouche stressed. “Now, that will mean that we will be essentially wiping out a lot of firms’ financial interests which are intrinsically worthless already. What’s happening is, we’re bailing out worthless institutions, and stealing from the people, and stealing from the economy to do so. So, there should be no defense, at government expense, or bailing out any more of these swindling institutions. They don’t produce

1. The Congressional co-sponsors of HR 129 are, in addition to Marcy Kaptur (D-Ohio): Walter Jones (R-N.C.); James McGovern (D-Mass.); James Moran (D-Va.); Michael Capuano (D-Mass.); Eleanor Holmes Norton (D-D.C.); Peter Welch (D-Vt.); and Lloyd Doggett (D-Tex.).

anything, except debt. They don't produce any payments of debt. They don't help the economy. They stop the feeding of people. *Everything is wrong about this system.* And especially since the repeal of Glass-Steagall earlier.

"The time of reckoning has come, and Glass-Steagall is the key, in part, to the solution. . . . But it's a necessary step, because without it, we can't survive, we can't survive as a nation; we're headed toward Hell.

"For example, as I've indicated before, all of western Europe, all of South America, or virtually all of it, most of Europe in particular, is now in a process of collapsing. Spain; Portugal; now Italy; Greece, and so forth. It's on the road, and it can't go much longer on this road.

"Glass-Steagall solves a problem, because what it does is, it essentially takes the U.S. government out of the business of bailing out speculators. So, we stop the flow, and make no promise to bail out any these banking institutions of the relevant type. They simply will be allowed to go their own way, as long as they don't get in our way. We have to do that now, because once this thing were to blow, I don't think anybody could fix it. In other words, if this thing were to blow, and the assumption was that we had to save the economy by more bailout, that would mean the destruction, the physical destruction of the U.S. economy and European economies.

"Now, reform is being discussed in Europe, but it could not occur initially in Europe. It could only occur initially from the United States, despite the current President of the United States, which would mean that he would have to be put under control even as President. And simply by enforcing some of our basic laws, that would do it.

"But the basic thing is, we *must* have Glass-Steagall."

Rebuilding the Economy

"We're also going to institute other measures," LaRouche continued. "Now the problem here is this: We are so bankrupt; we as the United States and all nations of western Europe. Take the case of the Rothschild in-



LPAC/Chris Jadatz

Thanks to the efforts of LaRouchePAC organizers, Washington is abuzz with talk about reenacting the FDR-era Glass-Steagall Act. Here, LaRouchePAC campaigns for Glass-Steagall at a labor rally in Philadelphia, August 2012.

terests. The Rothschild interests have gone under [LaRouche was referring to the recent troubles of Banco Santander, one of the premier banks of the Rothschild Inter-Alpha Group—ed.]; so that aspect of the trans-Atlantic region is no longer really a viable one. So what we are going to have to do in the United States—and everything that could happen to benefit Europe or some other places, will have to come from an initiative from the United States. Because only we have the built-in system which could do what has to be done right now.

"If we can save ourselves, we can then use what we're doing for ourselves to save nations of Europe and other places. But if we go the other way, we'll never make it. That means we've got to go ahead with an immediate Glass-Steagall reform. But the Glass-Steagall reform has certain limitations on what it can do by itself. It will do exactly what it's refined to do, and anyone who says it's not true, is simply stupid or a liar, one of the two.

"Glass-Steagall works; it's the only thing that does work right now. But it won't solve all your problems. Why? Because after we clean up the banking system of the United States, there won't be much left for anyone to eat. You'll have this banking system that works, but it will be very small in terms of its capabilities.

"Now therefore, we're going to have to add another provision, which is not strange to our system. We're

going to have to actually create a new kind of system—a credit system. A credit system uttered under the powers of the United States. And that credit system will then be used to create credit for *production*, and for related things. So, the Federal government is going to create credit, and utter credit based on a supervisory process.

“We are going to say: is this worth investing in? Will this work? If it will work, how long will it take for them to do this job on a credit system, in order to come into a balance of their operations on their own books? If they can do that, and if the thing they are proposing is useful for the United States, the United States government, under its power to utter credit, should award credit under supervision, to firms which will conduct things which we know are useful to the recovery of the U.S. economy and its improvement.”

The Role of NAWAPA

LaRouche then added: “This does mean the immediate installation of NAWAPA [North American Water and Power Alliance], the water system. And this has several aspects which are highly relevant.

“First of all, we have been robbed and raped; our western lands have been raped. The water levels have subsided. Why? Because the farming processes are based on drawing down the reserves of water supply inside the system. Therefore, what happened is, the land level subsided; the ability to grow crops economically subsided; and now we’re into a general breakdown crisis.

“So therefore, we are going to have to have a water system, a water-management system, which coordinates with the need to generate more production of food. The one institution and project which can do that, is NAWAPA. By extending NAWAPA as one of our credit projects, we can generate a tremendous number of jobs. We can begin to restore the productive potential of our agriculture system, especially from the Mississippi to the West Coast. And then on the same basis, we can rebuild an actually productive system.

“Now, what’s happened recently is that the growth in production has stopped, and therefore we’ve replaced production by bailout. And bailout produces nothing; it drives us into hyperinflation and bankruptcy. So therefore, we need a combination of several projects, federally backed projects specifically.

“One: general projects for responding to the need for the application of credit to the actual physical

growth of production and general welfare. We also need to deal with special cases like NAWAPA, which is a major project, which will restore the physical potentiality of the western portion of the United States, Alaska, Canada, and also northern Mexico.

“This is going to be a big investment; it’s going to be a Franklin Roosevelt-style investment, but on an even larger scale, because that is what is required. And by our doing that, we will then enter into agreements with other countries, as across the Atlantic, and with these agreements, we will work on the same basis of building a transatlantic credit system like that we create for the United States. It would be theirs and ours; it would be their sovereign right, it would be ours. But we would cooperate in the same kind of system to restore stability to the system.

“Now, there is a lot more to say on this, but that’s the general option. We must do this *right now*. I don’t know what the deadline is, but I’m not going to wait for the deadline. I’m saying, as of now, the trend is, we either do this, or we’re not going to make it at all.”

The full webcast can be found at www.larouchepac.com.

Lyndon LaRouche
On
Glass-Steagall
and
NAWAPA:
The North American Water and Power Alliance

EIR
Environmental Impact Review
The Journal of the Lyndon B. LaRouche Institute for Progressive Education
Lyndon B. LaRouche
The New Economy
GLASS STEAGALL OR DIE

“The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there.”

“Put Glass-Steagall through now, and I know how to deliver a victory to you.”

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