

Appeal to Governments And Parliaments: Glass- Steagall Now!

June 18—*Helga Zepp-LaRouche, chairwoman of the BùSo party in Germany, (www.bueso.de) issued this statement today.*

1. All nations of the Trans-Atlantic region must enact a law which would separate commercial banks from investment/speculative banking entities, based upon Franklin D. Roosevelt's Glass-Steagall bill of June 16, 1933. Up until the beginning of the 1980s, the principles of Roosevelt's reform were in place in European nations, in the form of strict regulation, and ensured that the banking sector mainly took on the character of commercial banks, and access to private accounts for risky speculative operations was impossible.

As things stood before Glass-Steagall was dismantled in 1999 by the Gramm-Leach-Bliley Act, commercial banks must once again be completely separated from both investment banks and the insurance sector.

2. Commercial banks must be put under government protection, while the investment banks put their books in order without taxpayers' money, which in practice means that toxic paper must be written off in the trillions, even if this leads to the insolvency of the banks themselves.

3. A National Banking system in the tradition of Alexander Hamilton, within the framework of a new Credit System, must provide long-term credit with low interest rates for productive investments, which would in turn increase the productivity of the economy by promoting an increase in energy-flux density, and in scientific and technological progress.

4. The reconstruction of the real economy should be facilitated through long-term treaties of cooperation among sovereign nation-states, which would launch well-defined infrastructure and development projects, in the context of the Mediterranean Plan for an Economic Miracle,¹ seen as a necessary extension of the Eurasian Land-Bridge. These contracts represent a de facto new credit system, a New Bretton Woods system, in the tradition of Franklin D. Roosevelt.

The purpose of re-enacting Glass-Steagall and implementing a Credit System is by no means only to bring about an improvement of technical details in banking, but rather, how the economy can ensure the survival of humanity over a period spanning many generations into the future, while increasing the productive powers from one generation to another. Human beings must once again be at the center, and the very purpose, of economics.

We, the undersigned, direct our urgent appeal to governments and parliaments, that they fulfill their constitutional duty and protect the general welfare of the populations they represent, by immediately enacting Glass-Steagall banking separation into law.

1. See *EIR*, June 8, 2012.