

LAROUCHEPAC TO CONGRESS

## Delivering the Message: Glass-Steagall, or Death

by Nancy Spannaus

July 22—Can Congress respond to necessity within the next two weeks, and rush through passage of FDR’s Glass-Steagall law, in order to save the United States and the rest of the world from an otherwise certain financial crash that will lead to global fascism, and perhaps thermonuclear war? That is the question which the LaRouche Political Action Committee (LaRouchePAC) is deploying to answer in the affirmative, with the in-depth mobilization that began July 15, in Washington, D.C. and around the country.

Leading the effort is the LaRouche Policy Committee, the group of six LaRouchePAC leaders who have been forged into a leadership team under the tutelage of LaRouche himself, to the point that they as a group represent a quality of Presidential leadership. Over the course of their interventions in Washington this week, these organizers considerably raised the level of confrontation and education in the Congress. They were backed up by citizen delegations from Connecticut, Delaware, Maryland, New Jersey, New York, Ohio, Pennsylvania, Virginia, and West Virginia, with more on the way. “We won’t take ‘no’ for an answer,” Policy Committee member Kesha Rogers, two-time Democratic candidate for Congress from Texas, put it.

The atmosphere on Capitol Hill is already becoming saturated with the Glass-Steagall debate, in the wake of the high-profile introduction of the third bill for its res-

toration, the Warren-McCain S. 1282, on July 11. LaRouchePAC’s banner, “Pass Glass-Steagall Before the Crash of 2013,” provided a focal point for discussion, with Congressmen and others stopping in the oppressive heat to talk. The mobilization also provoked discussion of Glass-Steagall in Congressional hearings as well.

But the crucial edge on the intervention into Congress was provided by Lyndon LaRouche, who, in the course of his regular Friday webcast July 19, once again underscored what the stakes are in the fight for Glass-Steagall. Unless it is reinstated, as the first step in establishing a credit system, LaRouche argued, the Wall Street-London financial oligarchy is primed to literally foreclose on the livelihoods of the American people and everyone else, effectively condemning them to death. LaRouche’s opening statement, immediately below, drives the point home.

### **It’s Wall Street, or Us**

In response to the question of “Where do we stand?” on the Glass-Steagall fight, LaRouche threw down the gauntlet:

“As things stand as of now, it will probably be during the coming two weeks that we will have a picture of exactly how this is going to work out. Now, what’s on our side is reality. But Wall Street has a long record of being unreal, and therefore they’re counting



LPAC-TV

*LaRouche Policy Committee spokeswoman Diane Sare (left, front) leads a group of constituents on Capitol Hill, for the Week of Action to ram through Glass-Steagall, July 18, 2013.*

Wall Street kind of debt: There's no possible way that, as a Wall Street gang, they can avoid discrediting all of their debts to people generally. That means that the people will be shut off from all sustenance—which means mass death coming on fast inside the United States, and also western and central Europe in large degree.

“So, the point is, we now have no real choice *but* Glass-Steagall. Glass-Steagall is the only thing which will enable us to defend the nation against

on unreality for their cause. However, at the same time, there are lots of uncertainties in this process, and the fact that we have two more weeks, estimated as of now, for the continuation of the contesting of this mission, we now have a fair possibility of winning. This is no longer out from left field, this is in the center of the ring. And it will be persisting.

“Now, the options are, of course, is that if we don't get Glass-Steagall through, you can forget the United States and Europe for an indefinite period to come—even possibly forever. Because what the [Wall Street] intention is—and this is what you have to really understand—the intention is, to, first of all, defeat Glass-Steagall; that's their first objective. Once Glass-Steagall is rejected, or were rejected, then the next measure would be what is *not* advertised.

“There's no way in which the trans-European area can possibly effect a real bailout of themselves. They're hopelessly bankrupt. Their answer is: Once Glass-Steagall were eliminated, then they would just simply shut off all payments to their debtors, which would mean you would throw a major part of the population of Europe and the United States, in particular, to sit on the streets and starve to death. And that is exactly what the intention is.

“If you look at this thing carefully, you don't have to have information on the inside to see what is threatened. All you have to do, is look at the figures. The amount of debt, the rate of increase of that debt—of the

what the intentions are of Wall Street and related forces.

“Now, there are other factors in this. You have an English factor, which is saying ‘Well, let's not collapse everything. Let's save something in England and a few other places.’ So, it's a complex process, and there are no definite questions and answers. But you're in the situation where objectively, there's no way in which the current debt and growth of debt inside the United States in particular can be sustained much longer. And if Glass-Steagall were defeated, then Dodd-Frank and similar types of monstrosities would come in, and the effect would be the cancellation of those obligations, because there's *no way* that this machinery that's now functioning as Wall Street could actually ever sustain the unpayable debts which they've now accrued.

“And that's where we stand. So, therefore, the coming weeks may determine whether the people in the United States are going to live or die. That's where we are, and that's what the question really implies, is that. There is no other possible way. We have to realize that the debt—the Wall Street debt and similar kinds of debt—could *never* be covered by obligations—*never*. It's past that, and going further.

“So, therefore, the option is: They stall everything as long as they can. Prevent Glass-Steagall from being introduced. And if they do that, then they *cancel* the debts, now that Glass-Steagall has no claim on them;

they will simply cancel the debts of Wall Street and similar forces around the world. And what will happen to the people? The obligations to the people simply don't exist, because the debt is repudiated.

"And that's the situation we're in now. That is the reason, not because people understand what's happening, but because they have a *feeling* of what's happening. They have a sense of what is happening, and they see no possibility of anybody doing anything to help them. And therefore they're trying to *deny* the threat—which is what people do. They try to say 'No, everything's going to be all right; isn't it? Everything is going to be all right, isn't it? isn't it? isn't it? isn't it? isn't it? isn't it?' And then, if Glass-Steagall comes through: 'Ahh!' Rejoicing. And Wall Street is bankrupted.

"So, who does that hurt? Nobody of importance."

### **The Credit System Alternative**

In response to the second question, LaRouche elaborated the positive implications of Glass-Steagall being implemented—another element of what the Policy Committee has been discussing in-depth with Members of Congress:

"What is the implication of Glass-Steagall? What happens in a case like this with Glass-Steagall's response? The Federal government goes back to the original Constitution of the United States—the Federal Constitution—which is a credit system. And therefore the Federal government will take the responsibility for creating a source of credit to promote further employment and similar kinds of useful benefits to the American people. *And that will work.*

"Now, people will say 'That can't work.' That *will* work. In fact, it's the *only* thing that will work. The world at large, the trans-Atlantic region in particular, is already hopelessly bankrupt. All it's waiting for is the realization of that bankruptcy. All that's keeping this thing alive, is postponement of reality. And in the coming two weeks, that reality is going to be pressing on the situation.

"Now, the difference is this: These guys in Wall Street, these clowns—clowns and thieves—what they do, is they create an idea of a system which is a credit system of their own type. They invent the whole credit, allot it to themselves. But with us, with the U.S. tradition, which is the Glass-Steagall tradition, then we have a credit system; we don't have these overhangs, we

have a credit system. We put people to work, on credit. And that will lead to the increase of productivity, which will ultimately pay for the credit. Our job is to get people back to work, in real production, and as fast as we can do it. And to protect the health care, and protect the other things, of our citizens. And if we can do that, we can restore the confidence of our citizens, in themselves.

"The problem today is, the citizen has no confidence *in himself*. Look what has happened to him! He doesn't *have* any real employment any more. If he has employment, he can't feed his children and himself too. Everything that's there is being lost. They're stripped of the ability to produce. The food supply is totally inadequate. The present population cannot *live*, on the existing flow of food supplies under the present conditions. With Glass-Steagall, we can do it. But then it's going to be a tough job, but we will do it because we have to. We have to defend our citizens. But we've come to the point, that *this* is the answer.

"And what's gone on with the Bushes and all those kind of fellows, that thing is going to come to an end, with Prescott Bush on down. The guy who funded Hitler—and that Bush, and his children. That crowd is out.

"But there will be a rejuvenation of the people, from being *saved* from what they know is happening. People *know*, parents *know*, when they feed their children, they're not going to eat. And this is the pattern throughout the nation. We can turn that around. We still are far short of enough to feed our own people, our own nation. It's not being produced. And food that is essential to our people is being turned into *gasoline* for trucks, and so forth.

"And this is the enemy we have to eradicate, this whole policy. And we're going to have to do it. If we don't, the *horrors* that will hit the whole U.S. population, and European population as well, *are unthinkable*. The idea that we do not get Glass-Steagall through, is morally *unthinkable*. And anybody who's opposing Glass-Steagall, whether they know it or not, is actually perpetrating a crime against humanity."

### **The Congressional Fight**

Over the course of three days in Washington, D.C., Policy Committee members had at least 40 scheduled meetings with Congressional offices, plus many additional encounters. As the week progressed, the La-

RouchePAC spokesmen became more and more aggressive at smoking out the influence of Wall Street in the offices, either through staff or the financial strings attached to the Congressmen themselves. There was a unanimous agreement among the organizers that the Congress is *not in reality*, in terms of facing the catastrophe already engulfing the nation as a result of the Wall Street system—and that it will take an unprecedented mobilization from their constituencies to deliver the message that they must act.

Finally, LaRouchePAC's is not the only voice speaking out forcefully for Glass-Steagall on Capitol Hill.

For example, at a briefing in the Senate Dirksen Building July 18, FDIC vice-chairman Thomas Hoenig and former IMF chief economist Simon Johnson both declared that the Senate should pass the Glass-Steagall restoration bills recently introduced (S. 985, by Sen. Tom Harkin, and/or S. 1282, by Senators Elizabeth Warren, John McCain, Maria Cantwell, and Angus King). The briefing was sponsored by the Main Street Alliance and Americans for Financial Reform.

Also on July 18, at a small subcommittee panel of the House Government Oversight Committee, which was considering "The Impact of Dodd-Frank on Community Banks," GOP freshman Congressman Ron DiSantis of Florida put the following question to the three witnesses: "All these people around here are talking now about Glass-Steagall, Glass-Steagall, saying that the repeal of Glass-Steagall caused the bank crash. Do any of you agree with that?"

Two of the three "expert" witnesses, former Congressman Brad Miller (D-N.C.), now associated with a community banking group, and Wake Forest law professor Tanya Marsh, responded positively. More importantly, however, is that the necessity for Glass-Steagall is finally becoming an inescapable issue, despite the determined opposition of the White House, top Republican ideologues, and—the primary source for both of those—Wall Street.

### Wall Street on a Tear

In the two weeks since the second Senate Glass-Steagall bill (S. 1282) was introduced, there has been an explosion of media coverage on the issue, much of it featuring Massachusetts Sen. Elizabeth Warren fighting for the bill. In turn, Wall Street, led by JPMorgan Chase,

has upped its own pressure campaign dramatically—including visits to Congress. LaRouchePAC organizers picked up reports that representatives of JPMorgan were conducting their own visits to Congressional offices this week.

Morgan, of course, is "on record" (see *EIR*, June 28) opposing Glass-Steagall, and is wont to threaten those considering it. In Delaware last month, a JPMorgan representative suggested that 26,000 jobs in Delaware might be at stake, and *EIR* has now learned that JPMC CEO Jamie Dimon himself, during a visit to Texas in April, delivered the message that Morgan has 30,000 employees in Texas, and could have a lot more, *provided* the state remains "banker friendly."

The message is not unrelated to the fact that, despite promises to do so, no member of the Texas state legislature has dared to introduce a memorial for Glass-Steagall. Evidence of similar pressure has cropped up around memorials in other states as well.

Thus, the central question comes into focus: The American people must choose between Wall Street and their very survival. Which will it be?

## REVIVE GLASS-STEAGALL Now!



LaRouchePAC is now leading a nationwide effort to push through legislation for Glass-Steagall  
([www.larouchepac.com](http://www.larouchepac.com)).

WATCH the LaRouchePAC video:  
'Glass-Steagall: Signing a Revolution'

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"The point is, we need Glass-Steagall immediately. We need it because that's our only insurance to save the nation.... Get Glass-Steagall in, and we can work our way to solve the other things that need to be cleaned up. If we don't get Glass-Steagall in first, we're in a mess!"  
—Lyndon LaRouche, Feb. 11, 2013