
Editorial

Why the Hysteria on Wall Street?

The scene would have been hilarious if the stakes weren't so high. Beves of bankers flocked to a hearing room at the National Conference of State Legislatures in Atlanta Aug. 12, to try to block a pro-Glass-Steagall resolution pending before that body. After three presentations in favor of the resolution, the bankers—some having come all the way from Delaware—surrounded the legislators who had spoken for Glass-Steagall, demanding that it be withdrawn.

It was a virtual repeat, on a more intense scale, of what happened in the Delaware State Senate at the end of June, when lobbyists for JPMorgan Chase intervened in a hearing on a Glass-Steagall memorial, implicitly threatening to cancel tens of thousands of jobs in the state if the memorial passed.

Why the hysteria? Why do the top Wall Street banks feel so threatened by resolutions for Glass-Steagall? Three facts help answer those questions, and point to what must be done.

First, it is clear to them, as well as to an increasing number of leading citizens throughout the nation, that the movement for re-imposing Glass-Steagall has growing momentum. With memorials now introduced into 24 states, including California and New York, a growing list of sponsors in both Houses of Congress, and an anti-Glass-Steagall President obviously weakened by scandal and incompetence, the FDR model of banking separation is a “winning” proposition in the very near term.

Second, the Wall Street banksters, at least at the highest level, understand that the reimposition of Glass-Steagall is a “death sentence” for the giant predatory banks. Hundreds of billions of dollars of debt on the books of the major banks are worth ex-

actly ... nothing, and once the Glass-Steagall standard is re-established, and Federal support removed, banks like JPMorgan Chase and Bank of America will find themselves on their own—and *bankrupt*. That will be no loss to real economy of the United States, but these allegedly all-powerful bankers will be as naked as the Emperor in Hans Christian Andersen's “The Emperor's New Clothes.”

The third reason is less obvious perhaps, but crucial. Given the ratio of bad debt in the economy, relative to the core of income, there is *no way* this monetarist system can be saved. It's going to collapse, most likely in the very near term—gone up in a cloud of hyperinflationary smoke. The only question is, who will have the power to determine the terms of post-crash survival. The Wall Street crowd, itself a subsidiary of the Queen's financial empire, is hysterically determined *not* to be the ones who submit. They may be going down, but they are willing to destroy everyone else in a futile attempt to survive.

If they win, it's mass death worldwide, and likely, World War III.

But with Glass-Steagall, the United States, and the rest of the world, *can* survive. The Constitutional system established by Alexander Hamilton can be applied, to simply cancel the worthless debt, and set up a credit system, which restarts the economy through physical production, and a rapid increase in the productive powers of labor, through technological progress and a leap to a higher level of energy-flux density embodied in the necessary shift to a nuclear-fusion-based economy.

At certain times in history, it is the banks versus the people—and this is one of those times.