

Glass-Steagall, or Disintegration

While the bankrupt world financial system hangs by a thread, ready to collapse at any moment, there is no denying the process of physical and social disintegration which the takedown of the U.S. and world economy is already visiting upon the United States. Right now, this Summer, the most basic props for supporting a decent standard of human life are being pulled out from under one community after another. Either the American public rallies behind LaRouche's program to put the system through bankruptcy reorganization, with immediate implementation of Glass-Steagall, or the devolution will know no bounds.

We are not talking simply about the cutting off of unemployment insurance—which has now cast close to 2 million more people on the human scrapheap—nor about cuts in Medicaid, for which we can thank the inaction of the Congress on extending benefits. We are talking about what have been, up until now, fundamentals of every community.

Is there a more basic service for a city or town than providing police officers for public safety? Is this service not matched by the need to provide fire-fighting, to save lives?

Yet, there is now a pattern, throughout the United States, of one town or city after another, carrying out major cuts in fire and police personnel, closing fire stations, and, in some cases, eliminating both services by “contracting” them out to other jurisdictions. Not since Felix Rohatyn “downsized” New York City under the 1970s fascist austerity program, “Big MAC,” has there been such a visible destruction of crucial social services.

Take some indicative examples:

- In Oakland, Calif., lay-off notices have gone out to 80 police officers, in order to help close a \$30.5 million budget.

- The Los Angeles suburb of Maywood has totally disbanded its police department, and contracted out law enforcement to the already overstretched L.A. County Sheriff's Department, in order to save money.

- Gainesville, Fla. is preparing a budget that calls for laying off 37 city employees, including 11 firefighters and 2 policemen, in order to close a budget gap.

- Lawrence, Mass. has laid off 25 police officers, with the beginning of the fiscal year, in addition to having fired 85 other workers, including 24 firefighters.

And the list goes on.

There is no pretense, among rational people, that these public service positions are in any way “unnecessary” to the welfare of the public. In fact, instances already abound of situations where inadequate fire services are leading to longer and more devastating fires, as in the case of a house fire in Stockton, Calif., on July 3. It's going to get worse, a lot worse... unless...

The reality is that these “local” problems can only be solved by action on the Federal level. These vital services are being slashed because local revenues are collapsing, as a result of lack of jobs, and nothing is being done to create productive jobs. That is because the Obama Administration's policy is to support the rotten banking system—when the vast bulk of it has to be declared dead, and buried.

The first step is Glass-Steagall, which will clear out the speculative, unpayable debt from the banks, and let it go. The second, is to have the Federal government put public credit through the banks, to start rebuilding infrastructure, and preserve essential services. There is a solution. Seize it.