

Italy and Glass-Steagall Could Save Europe, The Threat Is from the City of London

May 22—The latest terrible “Russian threat” is now claimed to be coming from the two parties that have agreed to form a new government in Italy. Stalwarts of European stagnation and financial speculation are lining up to warn of the end of their world if the Lega and M5S (Five Star) parties’ coalition is not prevented. We are supposed to forget that these parties were just favored by Italian voters for their policies, in elections held in March—just as we have been told for two years to forget that American voters, not Russians, elected Donald Trump.

But if allowed to be formed, the proposed new Italian government can start the long overdue process of saving Europe from ten years’ stagnation after the crash triggered by London and Wall Street banks, and from blows to its productive industries by anti-Russia sanctions; and from another, worse financial crash which is looming over America and Europe.

The key will be establishing the Glass-Steagall Act, which both leading Italian parties want, to break up the big so-called “universal banks”—demanded by the European Union—that absorb trillions of bailout money from the European Central Bank and the U.S. Federal Reserve, and do not lend to anything productive. The second critical element: A national bank with the ability to issue credit for productive employment and new infrastructure, outside the EU austerity limits on government productive credit. Those two, if the parties can stick to them, can avert another financial blowout and start real economic growth again.

Both U.S. major parties put Glass-Steagall in their presidential platforms. President Trump called for it on the stump. Wall Street, however, has won out so far, and the megabanks have become even bigger, and more debt-leveraged, with bigger exposures to super-speculative derivatives contracts. As experts such as former FDIC officials Sheila Bair and Thomas Hoenig have been warning, that has made the financial system even more dangerous as interest rates rise on an unprecedented ocean of corporate debt, about to blow.

In Germany, the former chief economist of Europe’s most dangerous huge bank, Deutsche Bank, gave an ex-

plorative interview on what ruined Deutsche Bank: “Anglo-American banking.” A team of star speculators from Merrill Lynch in London and New York took over Germany’s then-leading bank 20 years ago and turned it into a giant hedge fund that made huge profits every year—until it became clear the profits were faked and the bank was all but bankrupt.

Wall Street and London have won out so far, and the price has been economic stagnation with massive central bank money-printing, and another crash coming on. In Italy, there is a chance to start the reversal of that before it is too late.

In the United States, those Americans defending the presidency from a relentless coup attempt against President Donald Trump, have learned the hard way that London—British intelligence—started it, and is running it. Trump supporters are realizing you can’t defend the presidency without attacking the British and London’s anti-Russia, anti-China geopolitics.

That realization has even reached Congress, in the statements of Sen. Rand Paul. To quote one author’s May 21 attack on the anti-Trump spying, “The British . . . have never hesitated to interfere in our domestic politics. . . . It happened in the run-up to both world wars, and it is happening today. If we trace the origins of the Russiagate hoax, and the campaign to dethrone Donald J. Trump, all roads lead to London.”

The perpetrators of this hoax, even exposed, will not give it up; they have to be defeated. The British financial empire—the City of London that still dominates trans-Atlantic financial activity—also has to be defeated. Lyndon LaRouche underscored that necessity in his [four economic laws](#) that start with a Glass-Steagall bank breakup and “a return to a system of top-down, and thoroughly defined, National Banking” to unleash new technologies in new infrastructure, space exploration and science drivers to transform the economy.

In the face of another crash worse than 2008, Italy can be the start in saving Europe. Its leading parties are proposing what Americans wanted when they elected Donald Trump President. The challenge is the same: Defeat the City of London.

EDITORIAL