

# Glass-Steagall Now, or You're Doomed

“There is no other issue on the table that means anything in terms of the survival of this nation and the people in it, than Glass-Steagall. If it’s not enacted, you are doomed, period,” said Lyndon LaRouche in a statement issued Oct. 19.

Once Glass-Steagall is enacted, we must move forward to a credit system, LaRouche continued, along the lines of the Hamiltonian system embedded in our Constitution. “What I’m proposing is a return to the policy of the Founders of the United States.”

The bill currently before the U.S. House of Representatives (H.R. 1489) to restore FDR’s Glass-Steagall, has 47 co-sponsors, plus sponsor Rep. Marcy Kaptur (D-Ohio). No Senator has yet introduced a companion bill. As of yet, there is not the political support needed to ram the bill through in time.

Right now, there is a campaign by Wall Street to intimidate people into opposing the drive for Glass-Steagall, said LaRouche, using the outright lie that enacting Glass-Steagall will close every bank in the United States. “This is a damned lie, and only damned fools believe in it.” LaRouche intends to destroy this lie.

LaRouche: “Because Glass-Steagall will not sink all the banks. It will sink about six big, fat banks which ought not to be banks at all. And the sooner they’re wiped out, the better! That’s *good* for you!

“The fact is, you’re going to have thousands of other banks, which are *not these merchant banks*. And what we’re going to do is two things: We’re going to *eliminate* the obligations of those banks, those honest banks which are real banks, to this kind of illegal kind of obligation. We’re essentially going to exterminate the merchant banking system, in the present form it exists. Not by going

out and exterminating, but simply by taking away all the pleasure of their money.

“Now, as a result, we’re going to have banks which will still *exist*. Of commercial banks, and commercial banking institutions, or things like commercial banking institutions, under similar law—we’re going to have them. But what are we going to do? Well, the Federal government is going to put this whole system through a bankruptcy reorganization, and two measures will be taken: First of all, we will protect banks which may be insolvent, but are still viable as banks. We’re going to keep them alive. We’re going to supply, under the Hamilton rule of the Constitution, we’re going to go back and supplement the present financial system, with a banking system, which is a federally guaranteed banking system.”

As for the Federal Reserve, “we’re going to replace that by going back to a Hamilton national banking system, based on a *credit system*, which is the U.S. system.

“Under that system, the Federal government will utter authorization for Federal credit, both to banks, which are solvent banks, competent banks, and for projects which are in the national interest, especially productive employment projects. NAWAPA is one of the most typical of those large projects which will save the United States.”

“The Act of Glass-Steagall, *if followed through* by an Act, a restoration of a Third Bank of the United States, as applied under lessons learned under Franklin Roosevelt, with projects such as NAWAPA, means that the collapse of mercantile banking system, the elimination of that *entire system; the obliteration of every one of those so-called banks*, will be the greatest bonanza that the people of the United States has experienced in practically a century.”