

# *The Glass-Steagall Imperative*

What would you say about a drowning man, with a set of lead weights strapped to his shoulders, who refused to remove those weights? Clearly, he would be clinically insane.

What about the case of the trillions of dollars of unpayable debts which are loading down—one could say drowning—the world economy today? If these debts are not removed from the books of governments, those governments and nations are as good as dead. And just like the drowning man, their refusal to free themselves from those lead-weight debts certifies them as clinically insane.

There is a simple act available for removing those debts: Franklin D. Roosevelt's Glass-Steagall measure. Once put into effect, Glass-Steagall will mandate the separation of the hundreds of trillions in oppressive gambling debts, from those debts related to the necessary physical functioning of the economy, by separating the investment and commercial banks, and eliminating any government backing for the former. The lead weight will be taken off our necks.

Such an action will not be sufficient to restart the U.S. or world economy, of course. To do that will require that governments create a different kind of debt, called *credit*, which is attached to the expansion of physical production that will increase the future productivity of the economy. The LaRouche movement has outlined precisely how this can be done, with its proposal for the massive water project called NAWAPA XXI, and the concomitant re-establishment of National Banking.

This process will not be painless. The major financial gambling houses—the world's biggest banks—will go under without getting government (taxpayer) bailouts, and tens to hundreds of thousands of financial service so-called workers will be

put on the unemployment line. But, with the launching of a crash program for physical economic growth on a massive scale, those people can be sustained and retrained—and the economy moved ahead again.

But here comes the problem: Who is willing to act *now* to put this program into effect?

Over the past weeks, especially since the highly publicized gambling loss by JP Morgan Chase, the bank Obama called the “best-managed” in the nation, there has been a surge of support for Glass-Steagall, including Rep. Marcy Kaptur's H.R. 1489. From former SEC head Arthur Levitt, to Massachusetts Democratic Senate candidate Elizabeth Warren, and former Italian Economics Minister Giulio Tremonti, renewed calls for Glass-Steagall have been issued. After a five month stall, Congressmen have begun to add their names as co-sponsors of H.R. 1489, which now has 65 backers in all.

But with the entire trans-Atlantic banking system now hovering at the brink of breakdown, this motion is inadequate. The Glass-Steagall principle must be put into effect *immediately*, in order to stop the bailout process, which simply puts more weights around our neck. With this in mind, the LaRouche Political Action Committee, in combination with the national slate of LaRouche Democrats, has launched a renewed emergency drive to double the number of sponsors for H.R. 1489, get a companion bill introduced into the Senate, and ram through passage. Without such action, which will put a firewall in place against the cascading collapse of bad debt, there will be no protection from a collapse worse than that of the 1930s.

Get Glass-Steagall *now*, and we're in a position to launch a real recovery. Hesitate, and we're sunk.