
III. Congress Reconvenes

Pass Glass-Steagall this Month!

by David Christie

Sept. 5—In a recent discussion with colleagues, Lyndon LaRouche issued a blunt warning to the people and leaders of the United States. Speaking on the rapidly worsening financial and banking crisis, LaRouche stated that if the American people and U.S. institutions continue to “avoid the issue of [Glass-Steagall](#), in particular, and related issues, then the people who do that will bring their death upon themselves. You cannot afford to overlook what the issue is here. You will have a lot of dead people suddenly because they didn’t pay attention.”

LaRouche’s words accurately portray the stark reality of today. The entire London/Wall Street speculative financial system is at the point of implosion, and imminent chaos and death are staring us in the face.

Even if the American people choose to avert their eyes from this reality, the inevitable devastation will still come. We have been in uncharted waters for some time; exactly how far out from shore we find ourselves is unclear and the depth below unknown—but the *Götterdämmerung* of the trans-Atlantic financial system is coming. Quadrillions of dollars of unpayable derivatives and other financial contracts are now crushing the banking system. The close of the fiscal year, which ends on Sept. 30, has often been a spark for the unleashing of financial chaos and collapse in October, as occurred in 1929, 1987 and 2008. Whether or not this torrent comes in the immediate weeks ahead or at some other date in the near future, any delay in action for re-imposing the Glass-Steagall policy of Franklin Roosevelt will only make the eventual death and destruction more intense.

Some among our people and our government leaders would like to dismiss LaRouche’s warnings yet

once again, hoping this time he will be wrong; they would like to avoid the life and death urgency of the need to pass Glass-Steagall. Too many have allowed themselves to become mere spectators to events on stage, with many becoming self-hypnotized by the current surreal and bizarre election campaign cycle. Others who do possess some sense of the urgency of the current crisis still cite “the almighty power of Wall Street



National Archives

President Franklin Roosevelt signs the Glass-Steagall Act on June 16, 1933. Standing to his right is Sen. Carter Glass, and to his left is Rep. Henry B. Steagall, the authors of the law.

and London,” and Wall’s Street’s control over Congress, as an excuse for their own self-imposed paralysis, saying that the passage of Glass-Steagall is impossible in the near term.

Impossible? Based on what? Three bills to reinstate Glass-Steagall are currently before the U.S. Congress, two in the House of Representatives and one in the Senate, all of them with numerous co-sponsors and bipartisan support. The demand to reinstate Glass-

Steagall is now included in the official Platforms of both the Democratic and Republican parties, as well as the Green Party platform. The reinstatement of Glass-Steagall is supported by a broad cross-section of unions, advocacy groups, and business—from the AFL-CIO and every labor union under its wing, to leading business layers up to the highest levels of international banking. Even Sandy Weill, who, during the 1990s, had championed the repeal of Glass-Steagall from his post as the head of Citibank, has endorsed its reinstatement. Many, many other business and banking leaders have echoed Weill's turn-around on the issue.

Why then do we not already have Glass-Steagall? Because the course of human history is not moved by objective facts or circumstances. There is no formula, no cumulative abacus, which will automatically provide succor at this time of crisis. Human history is created and shaped by human individuals through a subjective and personal dedication to the future of humanity. Franklin Roosevelt typified this personal responsibility and commitment to progress and to saving the people of the nation, and he organized the passage of Glass-Steagall as an integral part of that commitment, expressed by the programs of the New Deal. What is lacking today is precisely that personal commitment to the future, the willingness to fight “at all cost” for what needs to be done. It is not enough to add one's name to a piece of paper as a “co-sponsor” or to adopt a resolution so as to make a “statement.” Personal accountability, courage and the willingness to fight is required from everyone who wishes to be known as a political leader, or even a citizen.

The New Financial Architecture at the G-20

An example of the necessary leadership was given by Chinese President Xi Jinping at the just-concluded G-20 Summit in Hangzhou. In his speech, wherein he specifically identified the need for a new financial architecture, i.e. banking and financial reforms that will facilitate worldwide physical economic development and poverty eradication, President Xi demonstrated the same quality of personal courage shown by Franklin Roosevelt. He spoke at length of plans for the global expansion of the New Silk Road, stressing the mutual benefit to all nations along its path, and he invited all nations to participate in this great project for human development.

For Americans and Europeans, however, the harsh reality is that Xi Jinping's call for a new financial architecture can not be accomplished without the reinstatement

of Glass-Steagall. Without Glass-Steagall and its related write down of the quadrillions of dollars outstanding in the global derivatives bubble, the inevitable collapse of that bubble hangs over the head of the planet like the Sword of Damocles. The parasitical gambling debt must be wiped out or it will destroy us.

The passage of Glass-Steagall is the first step toward a return to a Hamiltonian credit policy, a policy which will bring the banking system into sync with society, bringing investments for physical economic development as well as a necessary “science driver” orientation, as outlined in Lyndon LaRouche's “[Four Cardinal Laws](#).” LaRouche's Four Laws provide the principled approach to joining the New Silk Road, so that it can become the World Landbridge, as the LaRouches have envisioned for decades. This global cooperation in infrastructure will also be part of a global partnership in space exploration and joint scientific initiatives such as the needed breakthrough in thermonuclear fusion. At the G-20 Summit President Xi Jinping outlined his commitment to precisely such a policy: an economy of innovation, driven by scientific and technological progress.

Xi Jinping stated, “Scientific and technological innovation hold the key to development.” China has been moving in this direction for many years. They are already taking global leadership in space exploration, and the leaders of their space program are planning for advanced missions and projects, including to the far side of the moon, a mission which is connected to the development to the development of fusion energy, through the utilization of the Helium-3 resources on the surface of the moon. The United States was planning for just such a development of lunar resources under President John F. Kennedy, but all of this was abandoned after his assassination and the subsequent policy coup d'état conducted by the forces of the British Empire.

In an echo of John F. Kennedy's phrase that a “rising tide lifts all boats,” Xi Jinping stated that “In the age of economic globalization, countries are closely linked in their development and they all rise and fall together. No country could seek development on its own; and the one sure path is through coordination and cooperation. We need to realize interconnected development by promoting common development of the world economy.”

President Xi also made clear that the model that China has embarked upon, is replicable by all nations—as is their coming economic upshift to an innovation economy. He cited the fact that China has pulled 700 million people out of poverty, and they intend to pull 57

million more people out of poverty by 2020—in addition to their commitment to pull other nations out of poverty.

In his speech, Xi Jinping said:

China's development has benefitted from the international community, and we are ready to provide more public goods to the international community. I have proposed the initiative of building the Silk Road Economic Belt and the 21st Century Maritime Silk Road to share China's development opportunities with countries along the Belt and Road and achieve common prosperity. Major progress has been made in launching key projects and building the economic corridors of the Silk Road Economic Belt, and the building of the 21st Century Maritime Silk Road is well underway. The Asian Infrastructure Investment Bank initiated by China has already started its positive role in regional infrastructure development...

China's opening drive is not a one-man show. Rather, it is an invitation open to all. It is a pursuit not to establish China's own sphere of influence, but to support common development of all countries. It is meant to build not China's own backyard garden, but a garden shared by all countries.

Pass Glass-Steagall this Month

Both Russia and China have made offers to the United States to join this new paradigm, but they have all been rejected by Barack Obama. In 2014, Xi Jinping made the offer to Obama to join the New Silk Road initiative and the Asian Infrastructure and Investment Bank (AIIB). Instead, Obama unleashed a policy of military encirclement, known as the "Asia Pivot" together with the economic encirclement of the Trans-Pacific Partnership (TPP). Russia has made similar efforts toward cooperation, such as offers to collaborate in space efforts, as well as cooperation in Arctic development and even the Bering Strait tunnel connection. All of these offers have been rejected by Obama and his



Photo/Xinhua

Chinese President Xi Jinping, leading the Sept. 4-5 G-20 summit.

handlers, and an aggressive military policy has been pursued instead. Obama's removal from office, even at this late date, would be a great signal of the intention of the United States to pursue a new direction towards peace and collaboration. Furthermore, his removal would signal the end of the subservience to the financial oligarchy that controls him.

There is no objective reason as to why we could not pass Glass-Steagall this month. Tens of millions of Americans support the reinstatement of Glass-Steagall. With the commitment by Xi Jinping at the G-20 for a new financial architecture, and

the nations who support that commitment, billions globally would implicitly support the United States in adopting Glass-Steagall. It is now up to the citizens of the United States. Will we choose to commit to the future progress and development of our children and grandchildren, or will we remain obedient subjects of a dying empire? According to our Declaration of Independence, there is no choice—it is our duty to throw off such government.

With our commitment to pass Glass-Steagall this month, we will finally see the words of Franklin D. Roosevelt from his first inaugural address fully realized:

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy and moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits. These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves and to our fellow men.