

AFTER STRAUSS-KAHN

The Bailout Is Finished! Now Go for Glass-Steagall!

Lyndon LaRouche gave the following exclusive interview to LPAC-TV on May 25, 2011.

Chris Jadatz: Hi, this is Chris Jadatz, executive producer for LaRouchePAC TV, and I am here today with Lyndon LaRouche who is going to deliver some comments on the recent developments concerning Glass-Steagall.

Lyndon LaRouche: Since the incarceration of Strauss-Kahn, there has been a halt on the plan to proceed with the bailout process, involving largely Europe. But also, remember, the bailout process is international—it was also in the U.S., it's centered on Geithner and Bernanke, as the operatives. So, Strauss-Kahn, Geithner, and company, are all of one piece in this action. *But*, Strauss-Kahn is now essentially out of the picture. What has happened, is that the fact that he was not able to deliver the planned operation, means that time has passed, a week and a half; in this time, the possibility of doing the bailout has been stymied. This has led to a reaction, not only in Europe, but also in the United States, in which the United States is now moving, as a process, into the enactment of Glass-Steagall, because there's no alternative.

Now, if Strauss-Kahn had succeeded, the result would have been the launching of a new bailout, this time starting in Europe, which would have had a blow-out of the entire trans-Atlantic financial system. But you have to understand that people out there believe in

pleasure and pain, especially pleasure-seekers like the great gamblers of the financial world, the gamblers. They think only one thing, and they're fanatical about it—they *want their money*, as they define it.

Now, "their money" happens to be absolutely worthless, and it's shown that over the period since 2007 in particular: that never have they been able to repay *any* of the debt they were piling up, as bailout money, or by swindles against the banking system—and they never will be able to repay any of that debt! This is simply a hyperbolic explosion of monetary assets which have no real physical value behind them!

Worst of all, the way in which the bailout has proceeded, has lowered the actual physical productivity, per capita and per square kilometer, in Europe and in North America, in the United States in particular. So we're headed toward an explosion, very much like, in form, what happened to Germany in 1923. We're now approaching a condition like that of September to November 1923 in Germany: That was a special condition, limited to Germany.

But this time, it has covered the entire trans-Atlantic region, in all leading areas, including the United States. And if this bailout were to continue, even in its present form, even trying to finance the debt that exists now, refinance it, let alone *increase the indebtedness* by a bailout of the type that Strauss-Kahn was supposed to set into motion in Europe, [there would be Weimar-style hyperinflation].



LaRouche PAC organizing in Washington, D.C., for Glass-Steagall: (left) by the White House, May 24; (below) at the Treasury building, May 3.



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Therefore, these people say, “This is our money. If you take our money away from us, by Glass-Steagall, the British Empire will collapse, and all the interests which have bought into the bailout will collapse. And we can not stand for that! We don’t care what happens! *We want our money!*”

But now, what’s happened? With a little pause put in by the Strauss-Kahn development, where about a week and a half has passed, and people have begun to realize that this bailout that they planned around Strauss-Kahn is not going to come off—now they become absolutely desperate. They go to the United States, and they’re trying to crush every opposition to a bailout in the United States; they’re trying to intimidate the Demo-

cratic Party into that process, but what is happening? What has happened in the recent week, especially the recent days, is a movement among leading, sensible political figures, or political figures who have become more sensible, realizing what the reality is: that the President has lost it, that Geithner and Bernanke are lost causes who have to be dumped, and that we have to go back to a Franklin Roosevelt-type of Glass-Steagall operation.

If we do not go to Glass-Steagall, even without these pressures for another bailout, we are already on the road to a general breakdown crisis of most of the trans-Atlantic region of nations. So therefore, we have no choice, but to go to Glass-Steagall. But the problem is,

again, we live in a culture which is dominated by the ideas of pleasure and pain. People do not measure reality, by reality. They measure it by the reality of pleasure and pain—and that’s where the problem lies.

It’s Going To Come to a Collision

Now, the solution therefore, is Glass-Steagall, but that means a political change. For example, the political parties of Germany have largely disintegrated. The political parties of France are in more stolid condition, but they are also in a threatened condition. Italy’s on the verge of a great breakdown crisis itself, of some form or other. The British Empire is insecure. There are even people inside the British system, who have grave doubts that this monarchy can handle the situation. It does not mean they’re about to dump the monarchy, but it means they’re saying to the monarchy, “You have to back off a bit. You have to let us go through this reform, because this hyperinflation can not be allowed to continue. We’ll all go down into the soup.”

But the persons who believe in pleasure and pain, and who have political power, and are tied to the idea of “*my money!*”—which is not real money, it’s Monopoly game money—are holding on tight.

So, it’s going to come to a collision. And what we’re having now, is a movement toward a collision in terms of support for Glass-Steagall. This is exactly what Glass-Steagall was enacted to do, was to deal with this kind of situation. Roosevelt saved the United States from disintegration, by getting Glass-Steagall through successfully in 1933.

We can save the United States today, but only—*but only!*—by getting Glass-Steagall through, now.

Now, this means the President will have a fit, because the President, as we see, is staying these nights at Buckingham Palace, with the Queen, whom he admires above almost any other politician on this planet! So, he’s the Queen’s own man (or maybe he’s going to become a queen himself, for all that means). But the point was, this guy is finished, because *he will not tolerate Glass-Steagall*. And when he comes into a collision with an assembly, which is now being gathered, of the leading political figures in the United States, and he tries to, shall we say, threaten to veto Glass-Steagall, Glass-Steagall is going to veto him. Because the 25th Amendment to the United States Constitution, the relevant one, will be put into operation, and he will be out, there will be very few to vote *for* him, in that vote.

That would mean, at that point, we would get our country back!

And if we got our country back in that way, the immediate effect would be the following: Most of the bailout, the \$17 trillion, and more, of bailout, would be put into a different department, the department of the merchant banking system, where it belongs, because it’s a gambling debt, not a real debt. That freeing of our country from the obligation to paying tribute to \$17 trillion-plus, including a lot of European debt which is in this thing, would mean that we would have the ability, under our Presidential system, and with the support of the Congress, to put the states of this country of ours back into shape, back into operation: The firemen would be rehired; the schools would go back into function; industries would begin to grow.

The crisis by this weather system, which is now becoming a major threat to us—I don’t know if even today, as I speak, we are threatened with major tornado waves in certain Southern states. We have an impossible situation in the Central states where grain is grown. We’re going to have a food shortage, a deadly one, in the United States itself, as a result of the current President’s *refusal* to recognize the issue of these storms! We are going to have earthquakes, which the President forbids us to forecast in order to take measures to save human lives. The President no longer cares about the human lives of our own citizens! We see that in various parts of the country.

This tornado wave is going to increase. It’s dangerous. Earthquakes are going to increase: That’s dangerous. We are not equipped to deal with the kinds of earthquakes we’re going to have. We’re not equipped presently to deal with the kind of tornado wave we’re going to have—more than anything you have ever seen before!

Therefore, those are the choices: We can, despite our bad condition, if we pass Glass-Steagall, we can convert the Federal assets in Federal credit, to get our economy back, working, and we will restore our economy *precisely* by putting the money into areas where it is needed! Investments in improving cities, to help save them, in various ways, against this wave of earthquakes and tornadoes. To find solutions for the loss of our food supply, with this great wave of tornadoes which has hit us now, which is going to get worse. We can also start the new industries, which will put our country back to work. We can come, according to the same philosophy that Franklin Roosevelt employed, to save this nation

from the Depression. If we could get Glass-Steagall through, we can save this nation, and organize other nations to join us in doing that. That's where we stand today.

If we do not do that, this nation is finished! Any further bailout—I warned a guy I admire, the former President, Clinton—I warned him in 2008 not to support the bailout! Today, I'm sure he regrets it. But pressure is going to be put on him to support the bailout, again! Were he to do so, and were others to go along with him, the nation would be finished.

And therefore, I have to intervene, because I understand this. I've been the most successful forecaster in a long time, in this country, on this kind of issue. And I have to step in to say to you: *"If you don't stop this bailout, if you don't put in Glass-Steagall—pray! Because only God can save you!"*

Obama Loves the Queen

Jadatz: You know, Lyn, two things, I believe, or two series of things, I think that support this greatly, what you're saying: Over the past few days, people, I'm sure, are aware that Barack Obama has been in London, and while the smell has improved here in the United States, there have been a number of things which have caused a *great* amount of furor among the people, while Obama was there. One of them was, that while he was offering prayers and condolences to the victims of the tornadoes over the past few days—which, as you just mentioned, are going to have far greater implications than simply the disasters as we see them unfolding on the news—Obama was also joking, at the same time, that the Revolutionary War was simply a lapse, a very small lapse, in the long relationship between the United States and Great Britain. He also then joked, a day later, that the Revolutionary War was simply a small scrape over tea and taxes. And he forgave them for burning down the White House, in 1812!

Now, while this was happening, of course, clean-up was going at a snail's pace; it was reported that over 1,500 people were still unaccounted for, in the areas where the storms had hit. And now, of course, as you mentioned, there is the great amount of damage that was done by these storms, and there's still more damage being done, *by the day*, to the nation's food supply.

Now while that was happening, the second thing I'll mention, is that institutional support and Congressional support for Glass-Steagall, some of the things which we know but can not mention yet, is greatly increasing, and

the opportunity for the people, right now, to go out and organize around Glass-Steagall in the context of that support, and in the context of the bailout's being temporarily halted, is immense.

So, I just thought that would be good to mention that

Glass-Steagall Bill Picks Up More Support

May 27—H.R. 1489, the bill to restore Franklin Delano Roosevelt's Glass-Steagall principle into U.S. law, is picking up more Congressional sponsors every day. As of today, 11 Congressmen have joined initiator Marcy Kaptur (D-Ohio) in sponsoring the legislation, which she introduced with two co-sponsors on April 12.

The LaRouche Political Action Committee, which has campaigned for Glass-Steagall as the only means of freeing the United States from unpayable gambling debts, and returning the country to a credit system, is escalating its efforts around the country.

The drive for Glass-Steagall is being supported by an increasing number of political activists nationally, including national organizations such as the International Association of Machinists and the National Farmers Union.

LaRouchePAC is targeting every Congressman and Senator, no matter what party, to drop politics as usual, and support the restoration of Glass-Steagall, which will end the bailout of Wall Street and restore sound credit to the nation. So far, the Congressmen who have co-sponsored the bill are:

Louise Slaughter (D-N.Y.)
Edolphus Towns (D-N.Y.)
Jim McDermott (D-Wash.)
Lynn Woolsey (D-Calif.)
James Moran (D-Va.)
John Conyers (D-Mich.)
Jesse Jackson Jr. (D-Ill.)
Walter Jones (R-N.C.)
Maxine Waters (D-Calif.)
Marcia Fudge (D-Ohio)
Kurt Schrader (D-Ore.)

the enormity of opportunity is unprecedented.

LaRouche: First of all, the President of the United States, apart from being President, is no longer of any political significance in the United States, except that he's a nuisance that's there. What he says, what he does, and so forth—the guy is an idiot. He's just an obstacle to progress, at a time when the world is going backwards, in terms of economy. So, ignore this President. But you've got to get the rubbish out of the White House, in order to have someone in there, who's going to be responsive. The President is clinically insane, of a special kind of insanity, which is known, as I warned back on the 11th of April 2009: He is clinically insane, of a certain special type. It's a type that's qualified, according to the relevant work done to define this provision of the 25th Amendment: He is insane by that standard, by that written standard, by the experts who put together the policies.

He has now become totally irrelevant. What this man thinks, or says, is intrinsically irrelevant. He's like a disease, he's like the garbage that was not carried out, which is still stinking, worse day by day.

The problem lies not with this President. The problem lies with those people who are keeping him in place, despite the fact that they know he's worthless, and should be out. So let's not say, we're going to defend Obama; nobody right now is really defending Obama. They may be *using* Obama's position as President, but they're not defending him. This guy's idea of being re-elected for the next term in Presidential elections, would be a myth beyond belief!

The Ice Has Been Cracked

As for the rest of it, there is no understanding of what is to be done, generally. What there is, is an understanding on the part of people who are concerned, including an increasing number of leading Republicans, as well as Democratic political figures, an understanding that this can not continue. And the significance of Strauss-Kahn's embarrassment, is that his case just broke the ice: "No, we can't go on with this kind of thing. This stinking character, with his behavior—we are going to be seen supporting this creep? We're just not going to take the stink!"

So this has cracked the ice. Now, he's out of the picture. There is no figure in Europe who can replace him. Good! That's a good!

And the problem is now, as we see, the rising tide of bipartisan support for Glass-Steagall is there. What

you're seeing on the other side, is Democrats who are afraid now, that Glass-Steagall's passage would impair the Democratic Party in the next election! Well, I can tell them, they're idiots! I don't care who they are, or what their rank is. Because, we're not going to have, as a result of this process, the "traditional," or recently traditional, Democratic/Republican thing.

What happened in the past elections is, that this two-party system is finished in its present form. What you're going to get, is some other kind of other political coalition, which will probably emerge in the Congress, in the Senate in particular, but also the House of Representatives: a reorganization of the way the voting is done on legislation, particularly this kind of legislation required now. People will still be nominally Democrats or Republicans; some will change their position, but that's not the thing you have to look for. You have to look for a change in alignment, among people who are in different parties, who, on their own conscience, will come together, as we did in World War II, will come together, for a mission which they consider saving and protecting this nation, as then.

So, I'm not interested in partisan politics; and those Democrats, for example, who are too interested in saving the Democratic Party, are making a *big* mistake! Because, by defending this President, or anything resembling him, they are dooming themselves! And it's only the perception of pleasure and pain, that ever-corrupting desire for pleasure, and horror of pain, that causes people to wish to avoid pain, in order to get, they hope, pleasure—and you will get only pain.

So, any Democrat that's supporting Obama, or lining up with the support of Obama, is being a damned fool, at best. And the fact that Democrats and Republicans of a certain type should come together, on this policy, and come together in terms of the *U.S. Congress* on this policy, especially the Senate, the Senate must align itself, and that will guide the Democratic and Republican parties in the House of Representatives to respond accordingly.

But it's the conscience of people in the Senate, which, in my opinion, is the most crucial contribution that we made. Yes, we want every Democrat, every Republican, in the House of Representatives to respond on the basis of conscience, not party! We want an expression from the Senate, which has a very special role in Constitutional affairs, we want them to vote on the question of conscience, not party. This is a time in our nation's existence, where we must go back to that prin-

ciple, of principle, not party, will rule in the decisions which are crucial for the nation.

Time To Take a Stand Against Wall Street

Jadatz: Lyn, I'd like to ask you to comment on the role, if any, of the general population, in pushing the conscience of our representatives in getting this done. What should they do, to make sure this gets done?

LaRouche: Well, the point is, that is not going to work by itself. What you have to do, is, people out there have not been educated. They've been subjected to a mis-education, for a long period of time; that's shown by what they voted for, or what they tolerated by voting. But they're sitting out there, and they know they're in a disaster. They know what they themselves voted for, in terms of personnel, has resulted in results *they don't want!* They know they're being denied. They know the states are crumbling! They don't have the answers! Sure, they'll tell you what the effect is they want, what's wrong, what has to be fixed, but they haven't figured out how to fix it, from a national level! They don't think on a national level! The schools, the universities, don't educate them to think on a national level. It's only when a politician gets serious, who gets in national politics,

that they begin to learn what this is all about! And sometimes they learn to their great sorrow.

Now, the time has come, one of those exceptional times, when the very nature of crisis, bestirs the conscience of the leading politicians. And the leading politicians, by taking a *stand* publicly—*taking a stand, for saving the nation!* Taking a stand against Wall Street: "Sorry, Wall Street! We did deal with you, but you betrayed us. You're now going to come on hard times, you in Wall Street. Well, we'll just watch and see if you can work your way back." But we who represent the conscience of the nation, and who act through, largely, what we can get across to influences such as the members of the Senate, and factions in the House, and from the state levels—and it's often on the state representative level that you get the push which forces the House of Representatives to come to its senses, as we would hope would be the case, now.

We can save this nation! I'm too old to be President, but I know how to save this nation. And I'm telling the people who know how to do it, also, who know what the objective is, to get out there, and do what I'm telling them. Because there's nothing else that's going to work. Anything else is a disaster.

Lyndon LaRouche On Glass-Steagall and NAWAPA

The North American
Water and Power Alliance

"The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there."

"Put Glass-Steagall through now, and I know how to deliver a victory to you."

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