



# LAROCHE'S INFLUENCE: THE INCREASING FORCE OF GLASS-STEAGALL

July 26, 2016—Interesting comments on both sides of the Atlantic over the weekend reflected the increasing likelihood of the restoration of the Glass-Steagall principle in the near future — critical for the future of the trans-Atlantic economies.

The leading financial newspaper on the European continent, Handelsblatt, published an article by its Washington correspondent July 22 expressing the increasing force of Glass-Steagall: "Separate What Does Not Belong Together," meaning separate deposit/lending banking from securities speculation.

Handelsblatt picked up from the American parties' platforms but endorsed Glass-Steagall itself. Correspondent Frank Wiebe wrote that the debate on reintroducing Glass-Steagall is not new in the USA, but "since Trump and the Republicans picked up the issue again, suddenly Wall Street takes it seriously. Until now Wall Street was confident that despite the large support for the concept, in the end there would be no political majority possible. Now they are no longer so sure."

And in the United States, a Clinton Democratic superdelegate and long-time top campaign consultant, Elaine Kamarck, wrote in her Brookings Institution blog that something like Glass-Steagall will have to be enacted by the new Congress and President. Hillary Clinton opposed Glass-Steagall, Kamarck said, "But by agreeing to place reinstatement of Glass-Steagall in the Democratic platform, Hillary Clinton signaled that she too would support it.... To date there hasn't been much interest in this in Congress. But if the establishment heard one thing loud and clear in the 2016 primaries, it was that millions of Americans think that they were the victims of Wall Street and that the next president had better

pay attention."

The loss of Wall Street's control signifies the rising impact of EIR Founding Editor Lyndon LaRouche's seven-year campaign demanding Glass-Steagall as the door-opening for national credit policies to revive economic productivity in the United States and Europe.

Handelsblatt's endorsement expanded the issue also to Germany and Europe. "Would a return to Glass-Steagall be justified?", Wiebe asks. The current system gives a universal bank more opportunities, but

more importantly, the bank separation concept would probably make the financial system safer. The decisive point is that large banks are too large and a separation would make them smaller again. The argument is valid for Europe, where very large banks sit in relative small states, even more than for the USA. The Deutsche Bank business model, where a large investment bank sits on the foundations of a not too strong traditional bank is being discussed over and over again.

When Lyndon LaRouche began his push for Glass-Steagall's restoration in 2009, the only Americans or Europeans who knew its name were its Wall Street destroyers. His understanding of the future was critical in choosing the fight. He knew the trans-Atlantic economies' only future, their only chance to revive "Hamiltonian" credit, production and productivity after the crash, passed through Glass-Steagall, cutting the Wall Street and London giant banks of the globalization era down to size.

Avoiding another general financial collapse, and the threat of world war, requires grasping that future now.