



LAROCHE: GLASS-STEAGALL IS URGENT NOW— BEFORE THE TRANS-ATLANTIC SYSTEM BLOWS OUT

August 31, 2016—Lyndon LaRouche warned on Tuesday that unless the U.S. Congress acts—in September—to reinstate Glass-Steagall as just the first step in a much larger overhaul of economic and monetary policy, the entire trans-Atlantic system is headed for a blow out. Even as China prepares to take the lead, at next week's G-20 heads of state summit, to bring into being a new, just global financial system, British stooge Barack Obama is running around in a delusional state, pushing the already doomed Trans-Pacific Partnership (TPP) and other equally insane dead policies. White House officials Ben Rhodes and Josh Earnest made clear to reporters this week that Obama will put TPP at the top of his agenda when he meets with world leaders in China at the G-20. His other key agenda items are: pushing for war in the South China Sea, based on the illegal ruling of the International Arbitration Panel, and ramming through the Paris Climate Change accord.

All of the clear signs of an imminent trans-Atlantic financial blowout before the end of the year are present. The last-minute deal to save Italy's Monte Dei Paschi bank is now unraveling, and JPMorgan Chase is now pushing a private sector bail-in, to avoid a wipe-out of the Italian banking sector. Italian Prime Minister Renzi is meeting with German Chancellor Merkel on Wednesday in yet another effort to strike a rotten deal to preserve the bankrupt banks. Bloomberg News warned on Tuesday that the derivatives market is set to blow. Under the headline "Did Brexit Turn the Derivatives Market Toxic?" Bloomberg noted that no one betting on currency-rate fluctuations between the British pound and the euro anticipated the Brexit vote. CNBC reported Tuesday that "banks are getting ready for economic nuclear winter," devising

worst-case contingency plans, which envision the complete bust-up of the eurozone and the end of the European Union, through a string of other exit votes all over Europe.

Glass-Steagall is the indispensable first step, in both the United States and Europe, to avert a financial avalanche. With bipartisan bills in both Houses of Congress, and with both the Democratic and Republican Party platforms calling for Glass-Steagall's reinstatement, the moment is right for serious and properly conceived action. Congress returns to Washington next Tuesday, Sept. 6. There can be no revival of genuine productivity in the dying U.S. and European economies without first wiping out the entire derivatives bubble and re-establishing functional commercial banks, through which tremendous amounts of credit can be directed for vital infrastructure, and research and development. Above all else, the space program must be fully revived, so that the United States can join with China, Russia, India, and other nations that are already committed to what the great space scientist Krafft Ericke called the "extra-terrestrial imperative."

Friday and Saturday, the Vladivostok East Economic Summit takes place, followed the next day by the start of the G-20 heads of state meeting Hangzhou, China. A global realignment is already underway, centered around the Eurasian development imperative. But for that realignment to truly succeed, the United States and Europe must be brought onboard. That means abandoning all of the policies associated with the British Empire, most recently expressed by President Obama's delusional schemes to revive an already-dead system.