

# LPAC Fredags-webcast 2. OKTOBER 2015: Verden er et bedre og tryggere sted uden Wall Street

Helga Zepp-LaRouche-pressekonference i Kina: "Den Nye Silkevej bliver til Verdenslandbroen" udgivet på kinesisk. Wall Street er dømt til snarlig undergang, færdig; Indfør omgående Glass-Steagall, forebyggende! LaRouche om koalitionen mod ISIS: Gør det! Der er en global, strategisk alliance: En Geneve III-politisk løsning på krisen i Syrien vil nu være mulig. Engelsk udskift.

**LaRouche PAC Webcast, October 2, 2015**  
**[proofed against the audio]**

The World Is a Better and Safer Place Without Wall Street:  
Dump Wall Street, Get Glass-Steagall, Bring Back Hamilton

**MATTHEW OGDEN:** Good evening. It's October 2, 2015. My name is Matthew Ogden, and you're joining us for our weekly webcast here

from [larouchepac.com](http://larouchepac.com). We are recording here a few hours before live show time, just to let you know, in case anything drastic changes, but we are fresh from a discussion which we had with Mr.

LaRouche earlier today. I'm joined in the studio by Jeffrey Steinberg from {Executive Intelligence Review}, and Benjamin Deniston from the LaRouche PAC Scientific Team.

Obviously, we're convening here at a very momentous time in history. This is a week which began with the events at the United

Nations General Assembly meeting, most significantly, the speeches on Monday by both Vladimir Putin and President Xi Jinping of China. Now that was happening on the inside of the United Nations building. On the outside, and in the entire general area of Manhattan, the LaRouche movement was making a very significant intervention which had a significant impact on

the proceedings of the United Nations, and the discussions around

that. And those of you who listened to, or had the opportunity to

listen to the 20th Fireside Chat with Mr. LaRouche that occurred

last night, Thursday night, you heard a short report by one of the LaRouchePAC activists about what those interventions have been. [<https://www.youtube.com/watch?v=imkd4v0hiiY>]

Now, simultaneous with the United Nations General Assembly meeting in New York City, another significant leader of the LaRouche movement, Helga Zepp-LaRouche, was in China. She was participating in a series of meetings, and very significantly, got to participate in a press conference announcing the publication of the {Executive Intelligence Review} Special Report, "The New Silk Road Becomes the World Land-Bridge," which

was now published in Chinese, and is available in the Chinese language, and we can be sure is already beginning to circulate widely in China.

[[https://larouchepac.com/20150930/eirs-silk-road-report-chinese-](https://larouchepac.com/20150930/eirs-silk-road-report-chinese-presented-beijing-press-conference)

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In the days subsequent to the beginning of this week, we've seen a very significant, dramatic shift in world events, and I know this is something which will be elaborated a little bit later in our broadcast. But obviously we've seen the Russian air

strikes against ISIS in Syria, and this has created really a chasm, a schism, inside the United States, where Obama himself

is finding himself completely edged out, and isolated, whereas significant leadership inside the senior leadership of the United States, including John Kerry and others, and also other members of Obama's own Democratic Party—Congressman Tulsi Gabbard is one significant example of this—have distanced themselves, and distinguished themselves, from Obama, and have said, this is a necessary action on the part of Vladimir Putin, and one that should be supported.

Mr. LaRouche was also clear to point out that Europe is beginning to realign itself as well vis-à-vis these actions by Russia.

Now, the primary point that Mr. LaRouche wanted us to begin tonight's broadcast with, was the implosion of the Wall Street-based financial system. And this is what I'm going to ask

Jeffrey Steinberg to elaborate on, to begin our broadcast here tonight.

Let me just paraphrase a little bit of what Mr. LaRouche had to say in our meeting earlier, before I ask Jeff to come to the

podium. What Mr. LaRouche emphatically stated was that this financial system is on the verge of a total implosion. It's not

just a crash, but the entire thing is about to cease to exist. And that means the entire system must be changed. What do we say?

Dump Wall Street! We need a total reorganization of this entire

bankrupt system, because we're experiencing a general breakdown

of both the U.S. and the European financial systems. Therefore,

action must be taken to shut this thing down. Nothing can be

done

to save it, he said.

The United States, as a nation, isn't bankrupt, but Wall Street is, and there's no solution within the current form of this financial system. The entire system must be put into receivership. He said, either way, Wall Street is finished. Either finished on its own accord, or finished because of a decisive action that's taken by patriots within the United States

government. It's intrinsically bankrupt, according to any rational physical economic standard of measurement, and all you

have to do is look at the facts. It's happening now, and that's

not a bad thing. It's actually good, and we should make the point

that Wall Street disappearing is good for the future of the American people. It should have happened a long time ago; it just needs to be cleaned up. The garbage has to be taken out, so

that we can get our people back to productive work.

So that was a short paraphrase of what Mr. LaRouche had to say. I'm going to ask Jeff to come to the podium, elaborate a little bit more on the context of this, to begin our broadcast here tonight.

**JEFF STEINBERG:** Last week a number of leading figures in both Wall Street and the City of London were bracing themselves,

waiting to see whether the Federal Open Market Committee at the

Fed was going to begin the process of normalizing interest rates,

by raising them for the first time in seven or eight years by one-quarter of 1%. There was {absolute} panic and pandemonium over the prospect of that taking place, and statements were issued from the City of London, the IMF Managing Director

Christine Lagarde, saying that if the Fed raises rates, it may very well trigger a blowout of the entire system, and then the Fed will be holding the bag, taking the blame for a financial blowout.

Well, the simple fact of the matter is that the Wall Street system is bankrupt, and by Wall Street system, I mean the extended system of gambling that exists on Wall Street, that dominates the City of London. You would go around the globe. You've got Frankfurt. You've got Paris. You've got Dubai in the Middle East. You've got Macao and Hong Kong in the Pacific region.

These are all centers in which there is virtually no connection any more between the activities in the real economy, and the gambling and churning of gambling money that's going on in the financial sector.

So there is nothing that can be done to avoid the fact that at some point very soon, there will be a trigger incident. It could be virtually anything. And it could be the beginning of a

very rapid, total evaporation of this entire mountain of debt, and what Mr. LaRouche has also been emphasizing, is that the danger in this situation is that if there is not immediate pre-emptive action, before that blowout occurs, then what you're

likely to see is a period of total chaos, in which the bankruptcy

of the financial bubble creates a system of chaos in the real economy, where you wind up with very destructive developments, with social chaos, in which the real people of the United States

and other parts of the world become once again, but on a much more dangerous scale, the victims of this kind of chaos.

So the point is very simple. There's got to be pre-emptive action now to put Wall Street in its entirety out of its misery.

And the simple first step to be taken in that direction is to reinstate Glass-Steagall. By reinstating Glass-Steagall, and making it clear, that this mountain of gambling debt will never

again be bailed out by taxpayers' funds.

The simple fact of stating that means, that the entire Wall Street system will immediately blow out. Someone is going to panic; someone is going to make a margin call, because so much of

this gambling debt, is built on borrowed money that the whole thing will evaporate. But the crucial thing is that you've got

to first create a clean and total separation between commercial

banking, which does impact on the real economy and this gambling

debt; this mountain of gambling debt that's sitting there as a parasite on the real economy. If you make that separation by passing Glass-Steagall in the United States, this will be the basis for immediate action in other parts of the world. So in

effect, by acting here in the United States, we will create the

conditions for a global Glass-Steagall separation, and then all

of this gambling debt can just evaporate.

Now, an illustrative case of this: Back in 1998, when you had the beginnings of a whole sequence of debt blow-outs, in Japan, you had a large number of Japanese banks that were basically bankrupt and were going to have to be put through bankruptcy reorganization. Under those conditions, those banks

posed a systemic risk, not just in Japan, but globally. There were some people in the Japanese Finance Ministry who understood,

and still had a memory of the difference between productive investment, legitimate commercial banking activity, and the

gambling activities that had infected the whole international banking system.

And so, those banks were basically audited, and all of the derivative contracts, all of the international gambling contracts that those banks had were simply cancelled. The counterparties were contacted and given the option, of netting out those contracts; or facing the consequences of losing those

funds, those gambling debts that nobody had sufficient funds to

be able to even remotely cover. So, in the case of Japan, the gambling debts were cancelled, and then the banks were put through reorganization; there was no systemic risk.

At the same time, in the Summer of 1998, Alan Greenspan – who was in the final phases of the elimination of Glass-Steagall

as the chairman of the Federal Reserve, and formerly a senior partner at JP Morgan when the plan was hatched in the mid-'80s to

wipe out Glass-Steagall. Instead what Greenspan did was, he called in all of the counterparties of Long Term Capital Management [LTCM], a relatively small, offshore hedge fund located in the Dutch Antilles. But they had derivative contracts

tied to the Russian debt, which the Russians defaulted on, the famous GKO scandal of 1998.

And so, LTCM, rather than being put through an orderly reorganization by netting out those derivatives contracts; Greenspan called in all of the counterparties, and wouldn't let

them leave the room until they bailed out LTCM. So, on the one

hand, you had a cancellation of the derivatives; on the other hand, you had a hyperinflationary bail-out. Really just the beginning of a hyperinflationary process that went off the charts

a year later, when Glass-Steagall was repealed. And then it

was

really off to the races; with everything invested in gambling and virtually nothing going into the real economy.

So now here we are, it's October of 2015. We had a shake-out of the bubble in 2008, and now it's back once again with a vengeance, because there was no change in policy. The Dodd-Frank bill with the Volcker Rule was a sick joke; it did nothing to change anything. So now, the too-big-to-fail banks have accrued a greater amount of gambling debt than they previously had. That debt cannot and will not ever be paid. So, by any scientific measurement, all of Wall Street is hopelessly bankrupt; and so long as you remain in the trap of the

current system, nothing can be done about that. And we're headed

very soon – perhaps in a matter of days or weeks or months – to

a point where the entire system blows out; the entire trans-Atlantic system evaporates, literally overnight. And then

you've got social chaos on a very, very broad and dangerous scale.

So, there is no money. Your money, your personal investments in mutual funds or Wall Street stocks, or anything like that; there's nothing there to protect. It can't be protected; and in fact, what's going on right now on the eve of

the annual Autumn meeting of the IMF, scheduled to take place in

the next few weeks in Peru, are calls all over the place for a new surge of hyperinflationary quantitative easing. You've got

the European Central Bank about to extend its QE program towards

the end of 2018; in other words, a massive hyperinflationary bail-out that will further erode the real economy.

So, Wall Street is dead; the funeral should have already

taken place long ago. And now we're at a point where that system must be completely shut down. Cancel out all the derivatives; separate the banks under Glass-Steagall, into commercial banks and let everything fall off the edge of the cliff. Because it's unpayable, it's illegal, it's commingled with massive amounts of criminal money; it serves no purpose whatsoever. The world is a better and safer place without those Wall Street activities; without the City of London, without the activities in Frankfurt and Paris and these other parasitical financial capitals. Glass-Steagall right now, immediately. And we've got a political context in which President Obama, although he is not down all together, is greatly weakened. And you can put a {fait accompli} on his desk and force the signing of Glass-Steagall. If he refuses to do that, then he's out under the 25th Amendment; because to not do it, in the face of this imminent blow-out of Wall Street, would be an act of criminal insanity that warrants his removal from office. So, that's the story. Wall Street is doomed. If you listen to idiots like Christine Lagarde, or Ambrose Evans-Pritchard over at the London {Daily Telegraph}, they're saying, "Gee, we're not sure if this is a systemic crisis, or some minor cyclical problem that we can just weather by printing a bit more money." They're either idiots, or criminal liars, or both. The fact of the matter is, Wall Street is dead; it's dead in the water. Nothing can be done to save it. And the question

is,  
do you want that doom to spread to the real economy; to the real  
population that's already suffering enough? Or, are you  
prepared  
to fight to insure that the right preemptive measures are  
taken  
now? Because a week from now may be too late; we don't know  
how  
close we are to the edge. Well-informed insiders from London  
and  
Wall Street thought that we were about to blow out a week and  
a  
half ago, had the Fed gone through the small step of simply  
raising interest rates and shifting the directionality.  
There's  
a million and one potential small triggers out there, but the  
triggers are not the real issue. The real issue is that the  
entire system is doomed; and we've got to take the right  
remedial  
action before the doom spreads into the real world of real  
people, and then it's too late.  
Franklin Roosevelt had an understanding of the kinds of  
measures that have to be taken. On the one hand, the  
Glass-Steagall Act and other measures that secured depositors  
funds in the commercial banks; shut out the gambling debt.  
But  
then Franklin Roosevelt also moved on for massive credit  
emissions into the real economy. He did the TVA; he created a  
massive number of jobs through various public works programs,  
much of which became the kind of infrastructure-building  
projects, major dam projects, municipal buildings, roads; all  
the kinds of things that were the necessary preparations and  
foundations for what became the "arsenal of democracy," the  
enormous economic surge that occurred, when the United States  
was  
on the verge of entering into war, against Nazi Germany and

Japan. So, Roosevelt had the formula.

The situation today is far more dangerous, far more severe, than it was at the time of Roosevelt. But the principles, the American System principles, that Roosevelt understood and acted

on, are the recipe for success today. But the starting point is

to simply face the reality and act preemptively on the fact that

Wall Street's dead. Give it a decent funeral, but pay no respect

whatsoever to this quadrillions of dollars, of strictly gambling

debt that have been built up since the repeal of Glass-Steagall

in particular.

What Mr. LaRouche has emphasized, is that this process goes back—really the beginning of the decline in actual productivity

in the U.S. economy, started with the death of Franklin Roosevelt. It accelerated tremendously after the assassination of

John Kennedy, and particularly after Nixon took the world off the

Bretton Woods fixed-exchange-rate system. That was the era when

people like George H.W. Bush and his underlings began to come in

and greatly accelerated the process of take-down of the real economy.

So, we're at the point now: Wall Street's doomed; it's finished. So, let's do the right thing.

**BENJAMIN DENISTON:** Thanks, Jeff. Now for the second element of our show today, I'm going to shift to the dramatic and ongoing

change in the world strategic framework, specifically with the situation in and around Syria, as the major focal point for this shift.

Now, this is the subject of the institutional question which has been posed to Mr. LaRouche this week. But before posing that question and asking Jeff to deliver Mr. LaRouche's response, I'd like to add just a little bit of background.

Over the recent few weeks, we have been seeing the development of a very clear and decisive break with Barack Obama.

This has been coming from, really, around the entire world, coming from Russia, coming from China, coming from Europe, and as

Matthew mentioned in the opening, as well as from within institutions of the United States. And I think it's important to

recall, that it was just a few months ago, in late July, that the

former director of the U.S. Defense Intelligence Agency, Gen. Michael Flynn, in an interview with Al Jazeera, had said that for

years President Obama has been willfully ignoring the DIA's warnings about the growing threat of radical jihadist-terrorist

networks in Iraq and Syria, the forces which have subsequently become what we now call ISIS. General Flynn made it absolutely clear that this was not just negligence or a failure, but this has been the conscious policy of the Obama White House, in effect

protecting and supporting the growth and the solidification of ISIS.

Now, at the same time, in this recent period, there's been an increasing recognition that this massive surge of refugees fleeing into Europe, are actually running from the effect of

Obama's policies; that Obama's policies have been responsible for driving this refugee crisis.

In this context, just this past Wednesday at the United Nations Security Council, there was a meeting to discuss how to combat the growing threat of terrorism. And both the Chinese and

Russian foreign ministers have made very clear, that in this fight against terrorism—what's happening in the Middle East—the

sovereignty of the Syrian nation must be respected, obviously in

direct contradiction and conflict with Obama's calls for regime

change in Syria, and the removal of the government there.

Also this week, we saw more signs of support of this shift, also coming from Europe, with the Swiss foreign minister saying

that the Syrian government needs to be included in a broad dialogue to settle the conflict there, and the president of the

European Parliament calling for the inclusion of Russia and Iran

in an international coalition to resolve the conflict in Syria.

Perhaps most dramatic, as, again, Matthew referenced in the beginning, and as I'm sure all of you have seen, Russia has now

initiated a series of coordinated air campaigns and strategic bombings against ISIS and other terrorist elements which have been otherwise, frankly, operating under the protection of Obama's policies.

So, in this context of a whole array of moves indicating a shift in the world situation, around this pivot in Syria, the following institutional question was posed to Mr. LaRouche:

"At the special UN Security Council session on terrorism

this week, China's Foreign Minister Wang Yi called for the convening of a Geneva III conference on Syria, with no preconditions, and with participation of all interested parties.

What are your thoughts on China's proposal at the UN Security Council?"

I'd like to invite Jeff to deliver Mr. LaRouche's response to this question.

**STEINBERG:** The short answer that Mr. LaRouche gave to the question, was two simple words: "Do it!" I'll elaborate a bit. You've had a policy, as Ben just indicated, of tolerance for the growth and expansion of the Islamic State, of the Nusra Front, of other similar jihadist-Salafist organizations; you've got the so-called Army of Conquest, of which Nusra is now a part—all of them operating inside Iraq and inside Syria. Despite the fact that there's a supposed coalition of 60 countries waging combat against these organizations, they seem to miraculously continue to expand their territorial holds. Despite the fact that they're under attack and under surveillance and scrutiny, they keep managing, somehow or other, to get new recruits slipping across the international borders, into Syria, into Iraq, to the point, that several months back, the CIA estimated that the Islamic State had 15,000 fighters total; and just in the last several weeks, they've revised that number up to at least 25,000, perhaps 30,000.

In other words, if you factor in the fact that some of them are being killed, through the bombings, through combat operations, — particularly the Kurds have been quite effective against ISIS—they've obviously been swelling their ranks, with

very little to stand in the way.

Now, here you have a coalition. Some of the leading players in the, quote, "U.S.-led coalition," are Turkey, Saudi Arabia, Qatar, Kuwait; and it's well-known, that the major entrée point

for foreign fighters coming into Syria, is across the border from

Turkey. There's a very lucrative black-market smuggling route, that runs between Turkey and Raqqa , which is the capital city of

the ISIS area in northern Syria. The Turkish government, the ruling party, the AKP, and particularly, the immediate circles around President Erdogan, are making money hands-over-fist through these black-market dealings with the Nusra Front, with the Islamic State, and with these other Salafist terrorist networks.

So, a simple question is: What coalition against ISIS? It doesn't exist! It's been a fraud from the beginning.

So now the Russians have stepped in, and they've done it within the framework of international law. There was a formal authorization for the use of military force, that the Russian Federation Council voted up unanimously to President Putin.

So,

in other words, unlike President Obama, who never went to Congress, the Russian state structures have given authorization.

The Syrian government of Bashar Assad formally invited Russia to

participate. Russia has established an information-sharing center

that will be up and functioning within a matter of days or weeks

in Bagdad, with Syria, Iran, Iraq, and Russia participating.

So,

in other words, all the elements are being put in place for an actual serious assault against this terrorist infrastructure.

And

last night overnight, Russian bombers carried out 18 sorties against Raqqa, which is the province and the capital city of the

entire ISIS-controlled area inside northern Syria and Iraq.

So, in other words, you're seeing a serious military operation for the first time. And the Syrian armed forces have been depleted dramatically by four years, four and a half years,

of combat against a force that's been continuously beefed up, armed, supplied with new recruits, from an entire jihadist apparatus from around the world.

And the Russians know, by the way, that there are now an estimated 5,000 Chechen fighters in the ranks of the Islamic State, fighting inside Iraq and Syria. And so this poses an immediate serious, really grave security threat to Russia. So Russia is not sitting back, is not running a phony war. Russia is in there. They're serious, and this is a strategic game-changer.

The reason that the White House is hysterical over this is that there is this so-called coalition. The United States is protecting Saudi Arabia, and by extension, protecting the British-Saudi Arabian dirty deals that have created this jihadist

problem in the first place. Qatar, Turkey, all supposed members

of the Obama-led coalition, are all on the other side. They're all actively supporting the spreading of the Islamic State and the Nusra Front.

General David Petraeus, the so-called hero of the surge, who is now an official adviser to the Obama White House and the National Security Council, has called for the United States to openly support the Nusra Front. That's to say, openly support al-Qaeda, the same al-Qaeda that did 9/11; the same al-Qaeda that

in 2012 killed the U.S. Ambassador to Libya, and three other American diplomats. But fortunately, that noise, that policy from

the Obama White House, has been substantially suppressed. There are other elements in the U.S. military that are prepared very much to work with the Russians. Secretary of State

John Kerry has become the point person for a different U.S. policy, a policy that he's been working out for months in coordination with the Russian Foreign Minister Lavrov, and back

during his meeting in the spring in Sochi, directly with President Putin. So Kerry in a CNN interview several days ago, made it clear: He said, there is a new policy. And the new policy

is, we are not insisting on instantaneous regime change. We're not going to go there. We're not going to do a Saddam Hussein. We're not going to do a Muammar Qaddafi. There's going to be a transition. The governing institutions are going to be preserved.

We're going to be patient. We're not going to allow Syria to fall

into chaos, and we'll work with the Russians militarily.

So the Russians are making it clear. They're carrying out real combat operations, and they are out for blood. They're going

to wipe out the Islamic State, and increasingly, China, India, Germany, France, many of the countries in Europe that are now overwhelmed by the refugee flow from ISIS, from Nusra, they're onboard.

So you have a global strategic realignment, which means, yes, the prospects of a Geneva III political solution to the Syria crisis is now viable, and feasible. You've got China, Russia, India, Germany, France somewhat more reluctantly, all ready to go on this, and you're got Iran, Syria, and elements within the United States who have basically sidelined, but not yet eliminated the Obama presidency, who are ready to go with this.

Again, as Mr. LaRouche said very simply, "Do it!"

**OGDEN:** Thank you very much, Jeff. So with those two elements of the current strategic picture presented to you here,

before I conclude this webcast, I just want to go back and re-emphasize what Mr. LaRouche asked us to open this broadcast with. And I want to do so by reading a short passage from what Mr. LaRouche had to say last night on the National Activists' telephone call, the so-called Thursday night Fireside Chat. And

this is what Mr. LaRouche said about Wall Street:

"The United States economy is about to collapse, and it's a real collapse. All of Wall Street is bankrupt, and worthless. If

the United States were to try and go along, and try to do business with Wall Street, and Wall Street institutions, that would be a disaster. Because Wall Street would itself collapse,

since it's already in a state of collapse. If we let Wall Street

go ahead, and do its own collapsing, the result would be a disaster for most of the people of the United States on a very large scale.

"So we have to get rid of Wall Street, immediately. We have to junk it. Point out the fact that it's worthless, that it's only a complete fraud. It has no economic value whatsoever, except that of trash. And so therefore, we're going to have to get a radical change in the organization of the financial system

of the United States for two reasons: first of all, to maintain

an economy that will function for the United States population;

second of all, to protect the United States {against} the influence of Wall Street. Because if Wall Street goes on its own,

and takes the dive that it will take, automatically, under those

circumstances the people of the United States may be starving all over the place. Because if the United States collapses, then the U.S. economy will itself be in a disastrous condition. That is, the financial system will collapse.

“And therefore, we have to get rid of the Wall Street system, and {we} have to collapse it in a controlled way. And then use that method of controlled action against Wall Street, in order to make the kind of re-organization that Franklin Roosevelt did in dealing with Wall Street in an earlier period. And that’s what has to happen.”

So, with that said, I’d like to encourage everybody, if you haven’t heard it yet, go back and listen to this discussion with

Mr. LaRouche last night. This is the 20th Fireside Chat. Mr. LaRouche will also be engaging in his weekly discussion with activists in New York City tomorrow, and the intervention of the

LaRouche movement on the streets of Manhattan is continuing, as we come out of this week, and into the following.

So, I’d like to thank you for joining us here tonight, and please stay tuned to [larouchepac.com](http://larouchepac.com).