LaRouche: We Have To Sink Wall Street Right Now!

by Nancy Spannaus

Jan. 13—From the outset of the 114th Congress on Jan. 3, Wall Street has moved in to "collect" on its investment, the hundreds of millions of dollars it poured into the coffers of Congressional candidates in the November 2014 elections. While the money went into Members of Congress on both sides of the aisle, the new Republican majority is what the financiers—who are looking an near-term bankruptcy blowout in the face—are counting on to put through new bailout measures, and draconian austerity cuts, in the hopes of staving off their bankruptcy as long as possible.

The onslaught began on Day One, with a successful Republican move to ram through a rule change targeting recipients of Federal disability payments. Soon after, came the new attempt to further exempt the Wall Street banks from the smidgens of regulations impending in the Dodd-Frank banking bill—which was just barely beaten back by a mobilization by some Democrats.

These Wall Street scoundrels must be purged from the Congress, declared Lyndon LaRouche in his Jan. 12 webcast discussion with the LaRouchePAC Policy Committee. They are ready to be purged, because Wall Street is totally bankrupt, and is overripe for bankruptcy reorganization. That will start with the implementation of Glass-Steagall, which will wipe those phony derivatives debts off the books, and let the gamblers go bust, as they deserve.

Sinking Wall Street, he added, is the key to kicking most of the Republican Party out of power, and getting back to the truly constitutional American system, that of Alexander Hamilton and his credit system. Until this is done, the threat of thermonuclear war will hang over the world. It must be done now.

Targetting the Disabled

Traditionally, a new Congress begins by promulgating a set of rules by which the House will be governed. This year those rules were part of House Resolution 5, which mandated a procedure that would devastate individuals relying on disability insurance. The official designation of the provision is Section 3, subsection (q), in the new rules.

As explained by a letter immediately issued to the House in protest by the National Committee to Preserve Social Security and Medicare (NCPSSM), "This resolution creates a point of order against legislation to reallocate funds from the Social Security Old Age and Survivors Insurance (OASI) Trust Fund to the Disability Insurance Trust Fund unless it is accompanied by benefit cuts or tax increases that improve the solvency of the combined trust funds." The impact this rule will have is explained:

"The Disability Trust fund will run short of revenue to pay full benefits some time in 2016, potentially putting 11 million disability beneficiaries at risk. This provision would make it more difficult to simply rebalance the two funds as has been successfully done 11 times in the past (reallocations have been made in each direction between the two funds)—forcing benefit cuts or tax increases to the Social Security program.”

In a press release about its letter to the House, NCPSSM elaborated:

“This House Rules change would allow a 20% benefit cut for millions of disabled Americans unless there are broader Social Security benefit cuts or tax increases improving the solvency of the combined trust funds. . . .”

EIRNS

LaRouche organizers are bringing the BRICS perspective, itself based on a Hamiltonian idea, to Manhattan almost daily. Here, LPAC organizes near the United Nations in September of 2014.

These cuts come on top of a raft of other austerity measures already going into effect, as the result of previous legislation, including Obama’s Hitler health bill, which mandates cuts in payments to providers of Medicare and Medicaid—both doctors and hospitals. According to a recent report by the Urban Institute, as of 2015, special increases to generally miserable levels of Medicaid reimbursements to primary-care physicians which had been in the ACA, expired. (The Federal government and states jointly pay for Medicaid,) The Urban Institute estimated that the increase expiration will cause reimbursements to drop on average 43% nationwide.

The Institute report projects drops of more than 50% in seven states: California (59%), Florida (53%), Michigan (58%), New Jersey (53%), New York (55%), Pennsylvania (52%), and Rhode Island (67%). An article in the *Los Angeles Times* quoted the Institute stating that “Significant drops in primary care reimbursement may lead physicians to see fewer Medicaid patients, potentially leading these patients to have difficulty finding a physician or getting an appointment.” That is an understatement indeed.

Rewarding the Gambling Banks

On the one side, Wall Street demands austerity; on the other, they insist on maintaining the bailout policy that has characterized the Obama, as well as Bush administrations—keeping a Federal backstop for their derivatives gambling debts.

Having gutted the provision of Dodd-Frank prohibiting Federal bailouts of commodity and foreign exchange derivatives in December, on Jan. 7, House Republicans tried to ram through another change in Dodd-Frank—this time allowing federally insured institutions holding collateralized loan obligations two extra years to sell them off—thus delaying the implementation of the so-called Volcker Rule until 2019 (if ever). This action, HR 37, goes under the misnomer “Promoting Job Creation and Reducing Small Business Burdens Act.”

To avoid debate, Republicans had used a rules procedure to bypass the House Financial Services Committee and call an instant vote on HR 37. However, this procedure requires a two-thirds majority, and to their surprise, all but 35 Democrats voted against the bill, and it was defeated by six votes.

Democrats, including Sen. Elizabeth Warren (D-Mass.), and Reps. Maxine Waters (D-Calif.) and Keith Ellison (D-Minn.), still furious at the Obama-Jamie Dimon swindle in December, lifting the ban on FDIC bailouts of commodity futures derivatives, mobilized like mad to achieve this margin—only to have the Republican leadership announce the following week that it would try to put the bill through under a procedure that requires a simple majority vote, on Jan. 13.

Democratic Unrest

Sparks have begun to fly in the conflict between anti-Wall Street Democrats and the Obama Administration, which is locked into an alliance with Wall Street and the Republican Party leadership. The two specific areas of conflict that have erupted so far, are Obama's demand for fast-track trade authority (to get the anti-China TPP and the trans-Atlantic free-trade agreement, called the TTIP), and the moves to loosen the last vestiges of Wall Street regulation.

A group of House Democrats, led by Connecticut Democrat Rosa De Lauro, held a press conference on Capitol Hill Jan. 8, in which she slammed the attempt to get fast-track authority for free-trade agreements, and declared "it will not happen." De Lauro was joined by 14 other Democrats and representatives of 37 groups who have come out opposing fast-track. Among them was AFL-CIO President Richard Trumka, who took the hardest line: "The AFL-CIO doesn't just oppose fast-track, we're fighting to kill it. And we're fighting to win."

Behind closed doors at the Democratic caucus meeting Jan. 7, the conflict also came to the surface. As reported in *Politico* Jan. 9, Massachusetts Democrat Mike Capuano lashed out at the Wall Street faction of the party, on the occasion of the impending vote on further delaying the Volcker Rule, saying: If Democrats support rolling back Dodd-Frank regulation, "you might as well be a Republican."

Interviewed later by *Politico*, Capuano said, "I feel strongly that the Democratic body is supposed to be representing the average American who is unaware and incapable of defending themselves when it comes to things like Wall Street abusing them. I feel strongly about it and I said so."

The Wall Street Dems, led by Greenwich, Conn. Rep. Jim Himes, Rep. Gerry Connolly (Va.), and John Carney (Del.), all responded with exchanges *Politico* described as "intense and emotional." They then took their complaints to Democratic Whip Steny Hoyer (Md.) at a meeting of the New Democrat Coalition (the Wall Street caucus), complaining that the anti-Wall Street crew did not respect them, and was not going along with the "pro-business messaging" (*Politico*'s phrase) they wanted.

Hoyer apparently responded by telling the Jan. 8 "whip meeting" that there should be no name-calling among Democrats. Under the conditions of financial crisis and the intensifying fascist push by Wall Street, that is unlikely to work. But the current Democratic approach is also a loser.

A New American Revolution

It's about time the real Democrats took notice of the real world they're living in. You don't negotiate with Wall Street, which is only a junior partner in the British Empire's global policy of depopulation and dictatorship. Just look at what has happened to every "little victory" some self-styled progressive Democrats won in Dodd-Frank; every one of them has gone, or is about to go, down the tubes.

What is needed, LaRouche has emphasized, is a new "American Revolution," which overturns the British imperial system of finance that Wall Street represents, and puts into place the Hamiltonian system that originally built the nation. That will require the passage of the whole package of Four Laws put forward by LaRouche last June, which begin with Glass-Steagall. And despite the fact that many of these anti-Wall Street Congressmen, including Senator Warren, have endorsed Glass-Steagall in the past, there is still no new bill submitted into the current Congress to restore this life-or-death bill.

With Washington stalemated, the center of the necessary revolution will begin in Wall Street's backyard—New York City.

A succession of ever-larger meetings sponsored over the last half year by the Schiller Institute in New York City, on the theme of restoring Hamilton's system, and bringing the United States into the BRICS, in order to defeat geopolitics and launch a new era of prosperity, has already set a dynamic in motion toward defeating Wall Street. The next meeting in the series will occur on Jan. 17, during Martin Luther King's birthday weekend. It will be a national and international event, available live at www.larouchepac.com.

The Schiller Institute is also helping to organize at rally on Jan. 20 at 11 a.m. at Federal Hall, 26 Wall Street, in lower Manhattan. The rally's purpose is to restore Glass-Steagall, to replace Wall Street speculation with Alexander Hamilton's national banking system, to direct credit into a new manufacturing, energy, water, and transportation economic platform, and to bring the U.S. into the BRICS.