

Who Is Martin O'Malley?

by Matthew Ogden

Jan. 29—Matthew Ogden opened up [LaRouche PAC's regular weekly webcast of Friday, Jan. 29](#), with a report on Democratic Presidential pre-candidate Martin O'Malley, as edited and excerpted below.

Mr. LaRouche has taken the initiative over the past 48 hours to go on the record and urge Martin O'Malley, one of the three official candidates for the Democratic Party's nominee for President, to become emboldened in his Presidential campaign, as a serious contender for the Presidency, by returning to the core theme of reinstating Glass-Steagall, a policy which remains the defining issue of this campaign, and a policy which O'Malley asserted as his top priority from the very beginning of his campaign, which earned him the moniker "Wall Street's Enemy No. 1" right off the bat. As Fox

Business News reporter Charles Gasparino said in June of last year, "Martin O'Malley is now *persona non grata*, Public Enemy No. 1, in the halls of Goldman Sachs; in the halls of BlackRock, the big money-management firm; all throughout Wall Street right now. O'Malley is the last person Wall Street would want to win."

This week, LaRouche urged O'Malley to embrace that identity as "Wall Street's Public Enemy No. 1," and to become much more aggressive and bold as a candidate on those terms. Mr. LaRouche stated, "It is obvious to me that O'Malley's views have a certain degree of convergence with my own views on this subject, on the necessity to shut down Wall Street before we are destroyed as a nation by it."

So, for the sake of the American people, you who



Martin O'Malley confronts Hillary Clinton in the Democratic candidates' debate in South Carolina, Jan. 17, 2016.

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are viewing this webcast, and even perhaps for the sake of certain people within O'Malley's campaign, we thought it important to begin our broadcast tonight by reviewing a bit of what Gov. O'Malley's position has been on this question, especially on the critical issue of restoring Glass-Steagall, which was what originally earned him the ire of Wall Street and its fellow travelers.

Called for Glass-Steagall Before Announcing

Prior to even announcing his campaign for the Presidency, Martin O'Malley telegraphed what the main focus of his candidacy would be, by writing a very prominent op-ed in the March 19 issue of the *Des Moines Register*, the newspaper of record in the state of Iowa. The op-ed was titled, "Prevent Another Crash. Reform Wall Street." He began as follows:

Seven years after the Wall Street meltdown, Americans are still experiencing the fall-out. Although job creation rates and GDP—along with bank bonuses and corporate profits—are on the upswing, these statistics mask the lingering hardship of millions of families that traces itself back to Wall Street's reckless behavior. . . . We were forced to save our economy, by bailing out big banks. Now, we have a responsibility to correct the mistakes of our more recent past to prevent another crash. To do that, we must acknowledge that . . . the 2010 Dodd-Frank Act did not go nearly far enough.

The most serious structural reform we can make is reinstating the 1933 Glass-Steagall Act that kept commercial banks separate from investment banks. Under Glass-Steagall, our country did not see a major financial crisis for nearly 70 years. If that law hadn't been repealed, in 1999, the crash would have been contained. The largest banks on Wall Street should be broken up into more manageable institutions. Today, five banks control half of the financial industry's \$15 trillion in assets. . . .

Unfortunately, while many good people who work in finance and in Congress understand our vulnerability to another crash, further reform faces an uphill climb against very powerful special interests. . . . It's time to put the national interest before the interests of Wall Street. The future of our economy . . . depends on it.



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Fox Business News reporter in June 2015: "Martin O'Malley is now persona non grata, Public Enemy No. 1, in the halls of Goldman Sachs [and] all throughout Wall Street right now. Here, Lloyd Blankfein, chairman and CEO of Goldman Sachs Group.

So that was the op-ed that Martin O'Malley wrote in the *Des Moines Register* before he even announced his campaign.

On May 30, 2015, O'Malley made his official announcement as a candidate for the Presidency at a site overlooking Fort McHenry in Baltimore. He related the story of how, in the War of 1812, the British had just invaded Washington and had burnt down the White House and the other Federal buildings, and he said that the people of Maryland could see the glow of the fires in Washington, all the way from Baltimore. He said, "We knew that they were coming for us. But, instead of digging graves," he said, "we dug trenches, and we fought to save the American Republic that hung by a very slender thread. And that fighting spirit," he said, "at that time, is what's needed now, especially as we face, today, the impoverishment and the destruction of our nation's people, by a handful of very wealthy, nominally, Wall Street banks, which have literally taken our government over, taken our government hostage, and used it to turn our economic system upside down and against the very people whom it's supposed to serve."

What he said in his prepared remarks, was as follows:

Our economic and political system is upside down and backwards; and it is time to turn it around. What happened to our economy—what

happened to the American Dream—did not happen by chance. Nor was it merely the result of global forces somehow beyond our control. Powerful, wealthy special interests here at home have used our government to create—in our own country—an economy that is leaving a majority of our people behind. An economy that has so concentrated wealth in the hands of the very few, that it has taken opportunity from the homes of the many. An economy where a majority of our people are unheard, unseen, un-needed, and left to conclude that their lives and their labors are literally worth less today than they were yesterday, . . . and will be worth less still tomorrow. . . . We are allowing our land of opportunity to be turned into a land of inequality. Main Street struggles, while Wall Street soars. . . . Our economy isn't money, our economy is people—all of our people. We measure success by the growing prosperity and security of our people—all of our people. . . . We must put our national interest first. . . . But we cannot rebuild the American Dream here at home by catering to the voices of the privileged and the powerful. Let's be honest. They were the ones who turned our economy upside-down in the first place. And they are the only ones who are benefitting from it. . . . [Therefore] we need to restore Glass-Steagall, and if a bank is too big to fail without wrecking our nation's economy . . . then it needs to be broken up before it breaks us . . . again.

That was his campaign announcement. Obviously a central issue.

Too Big to Fail—or Jail

Then, in July 2015, O'Malley issued a campaign White Paper, highlighting his policy of reinstating Glass-Steagall, in which he warned, explicitly, of the danger of another devastating meltdown of the Wall Street financial system, were Glass-Steagall not to be reinstated immediately. This ten-page White Paper from O'Malley's campaign, is titled, "Protecting the American Dream from Another Wall Street Crash." Very briefly, what it included was the following:

Governor O'Malley knows that the American Dream today remains out of reach for too many families. To attack this problem, it will take a

multi-pronged and fearlessly progressive approach to addressing economic inequality. But the results of any steps we take as a nation to raise wages, ensure retirement security, and make the dream of home ownership a reality can be wiped out in an instant in another Wall Street crash. We need to protect America's economy. And we can only do it by implementing strong accountability and structural reforms that build upon the Dodd-Frank Act and put an end to too-big-to-fail, too-big-to-manage, and too-big-to-jail financial firms.

Under the heading, "Breaking up the too-big-to-fail, too-big-to-manage, too-big-to-jail Firms Before They Break Us," O'Malley says, ". . . [A] handful of too-big-to-fail . . . megabanks continue to pose an enormous risk: to our financial system, the economy, and American families. As President, O'Malley will work tirelessly to eliminate the unique danger posed by too-big-to-fail banks, by making the following structural reforms: Break up the biggest banks and separate risky investment banking from ordinary commercial banking."

And then he says, "For 70 years, the 1933 Glass-Steagall Act kept the U.S. economy safe from major financial crises by requiring commercial banks to be separate from investment banks, to prevent them from putting everyday Americans' deposits at risk. If Glass-Steagall hadn't been repealed in 1999, the financial crisis would likely have been far less severe."

So, as President,

Martin O'Malley will immediately reinstate Glass-Steagall. The Volcker Rule, sometimes referred to as "Glass-Steagall Lite," is excessively complex; providing too many opportunities for banks to exploit loopholes and ambiguities. O'Malley will introduce legislation to once again separate traditional banks from riskier financial services, while updating protections to account for new banking activities and prevent the new rules from being watered down. This will be one of his top priorities.

In conjunction with this White Paper, O'Malley issued an Open Letter on July 9 to the Wall Street megabanks, in which he reiterated his commitment to reinstating Glass-Steagall, and then, went through mea-

tures to send bank executives to jail, to identify their criminal complicity, not to let them off the hook—major prosecution. What he said in this Open Letter, which was circulated very widely at the time and drew a lot of attention, was:

As you've heard, I've expressed grave concern about the state of our national economy, especially as it relates to the behavior of a select group of financial institutions on Wall Street—the institutions that you work for and represent. I have called for significant structural and accountability reforms—like reinstating Glass-Steagall and increasing enforcement at the SEC, DOJ, and other agencies and departments—to prevent another economic crash and protect hard-working families from losing their jobs, homes, and life savings once again.

And then he goes on to describe what has happened since 2008 because Glass-Steagall was not reinstated at that time. He says, “The high-risk, reckless, and illegal activities of your megabanks were the primary cause of the 2008 crash, which caused the worst recession since the Great Depression, cost the American economy an estimated \$14-22 trillion. Today, your—too-big-to-fail, too-big-to-manage, too-big-to-jail—megabanks pose an enormous risk to the financial system, the economy, and American families. They are so big and so interconnected with the entire financial system, that the failure of one or more of them could cause the collapse of the entire U.S. economy.”

He continues, “After several misguided regulatory measures taken in the 1990's,” including the repeal of Glass-Steagall, “your handful of megabanks went from having assets of approximately 15% of our country's GDP, to now having assets of nearly 65% of our GDP. As your megabanks grew in size, who gained from it? Credit card fees didn't get smaller. Mortgage rates didn't go down. The median wages of Americans certainly didn't increase. The only tangible gain we've seen from your institutions' explosion in size is your ability to concentrate unprecedented power and wealth in the hands of your executives and to acquire the guarantee that all of your risky bets will be covered by taxpayers. . . . So here's the bad news—for you: As President, I have no plans to let up on you. I'll work tirelessly to eliminate the unique danger posed by the handful of

too-big-to-fail banks,” including through the reinstatement of Glass-Steagall.

And, finally, as those of you who have watched the series of Democratic Party debates well know, Martin O'Malley has consistently injected Glass-Steagall into the discussion, as a top priority, and called Hillary Clinton out on her lies in that regard, and has discussed this as a top priority for *preventing* another devastating crash of the financial system, and protecting the lives and the livelihoods of the American people in the event that such a crash occurs. What Mr. LaRouche had to say about this earlier today, is that this is not a matter of “if”; this is not a matter of “when.” That crash is happening *now*.

So, as I said, Mr. LaRouche has made very clear public statements in the last 48 hours, including in his discussion with activists across the United States in his weekly [Fireside Chat last night](#), urging Martin O'Malley to embrace his identity as Wall Street's Enemy No. 1, by concentrating on this core issue—the reinstatement of Glass-Steagall, the shutting down of these Wall Street banks, and the revival of a very clear Franklin Roosevelt First 100 Days New Deal policy to save the United States.

REVIVE GLASS-STEAGALL Now!



LaRouchePAC is now
leading a nationwide
effort to push
through legislation
for Glass-Steagall

(www.larouchepac.com).

WATCH the LaRouchePAC video:

'Glass-Steagall: Signing a Revolution'

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“The point is, we need Glass-Steagall immediately. We need it because that's our only insurance to save the nation. . . . Get Glass-Steagall in, and we can work our way to solve the other things that need to be cleaned up. If we don't get Glass-Steagall in first, we're in a mess!”

—Lyndon LaRouche,
Feb. 11, 2013