

## **EDITORIAL**

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# Impose Glass-Steagall Now— Before Deutsche Bank Blow-Out

Oct. 3 (EIRNS)—There is not a moment to waste. Congress must be called back to Washington to immediately re-instate Glass Steagall—before the blowout of Deutsche Bank brings down the entire trans-Atlantic financial system and unleashes chaos and possible thermonuclear war on the planet.

As top executives from Deutsche Bank are in Washington, racing to cut a deal with the Justice Department to reduce the threatened \$14 billion fine for mortgage securities fraud, it is now openly acknowledged that Deutsche Bank's overwhelming derivatives exposure and its 25:1 leverage is about to bring down the entire gambling casino of London and Wall Street. On Saturday, a judge in Milan, Italy, indicted six top current and former Deutsche Bank executives, along with 11 other top bankers from Banca Monte dei Paschi di Siena (BMPS) and Nomura, on charges they faked BMPS's books to conceal huge losses from regulators and customers. Russian prosecutors are investigating another former top Deutsche Bank broker from the bank's Moscow office, who was allegedly involved in a \$10 billion money-laundering scheme with Russian mobsters.

While these prosecutions are going on, the U.S. Justice Department has yet to indict a single too-big-to-fail bank executive for the biggest financial fraud in history. As a result, an even bigger financial bubble, built upon hundreds of trillions of dollars in derivatives, has been built up again—and is now about to explode. A leading Japanese expert put it bluntly in a recent discussion: Either Glass-Steagall is re-instated before the blow-out, and all the top criminal bankers are arrested, or we all

face the danger of a systemic crash and the threat of war. Echoing comments by Lyndon LaRouche, he declared "October is the critical moment."

Indeed, the only solution is the immediate re-instating of Glass Steagall, the termination of all of the derivatives contracts on a specific designated date, and the criminal prosecutions of all of the TBTF bankers who looted their own customers. The crimes recently uncovered at Wells Fargo are the actual norm within Wall Street and London. Don't forget the role of HSBC in laundering the cocaine proceeds from the Colombian and Mexican drug cartels, which financed their death squads.

The moment is ripe for just such emergency actions, followed immediately by the launching of a physical economic recovery, through world-scale capital investment in infrastructure, job creation, and scientific research. President Obama, the British, and the Saudis were just delivered the most devastating blow by the United States Congress, in overriding Obama's veto of JASTA. Obama, LaRouche observed to colleagues on Monday, is exhausted—his vitality is gone. Everything is collapsing around him, and he can and must be thoroughly boxed in so that he cannot do anything.

There is vitality in Asia, where the functioning of those leading nations—China, Russia, India, and others—must be defended against any desperate actions by Obama. The securing of the Asian initiatives, which will be advanced in 12 days when the BRICS heads of state gather in Goa, India, for their annual summit, is a global priority.