

THE DRUMBEAT GROWS

‘It’s Now Beyond Time For Glass-Steagall’

by Nancy Spannaus

July 16—More Americans are finally beginning to get it: The system of deregulation ushered in officially with the elimination of Glass-Steagall in 1999 will destroy the United States, unless it is reversed by the re-introduction of the full FDR-modelled principle of separation between commercial banking and gambling immediately. Glass-Steagall is not a slogan, or a platform point, but a question of life or death of the nation.

The LaRouche movement, and its national candidate slate, represent the loudest, clearest voices, as indicated in today’s [statement](#) by Washington State Congressional candidate David Christie, under the title of this article. As a result of the candidates’ activity, a national movement is growing.

Crucially, there is the group of 71 Members of Congress who have signed on to Rep. Marcy Kaptur’s (D-Ohio) H.R. 1489, which mandates a return to the Glass-Steagall standard. So far, they are mostly Democrats, but reports from LaRouchePAC’s work on Capitol Hill indicate that there is enormous potential for dozens of Republicans, as well as Democrats, to join the fight—especially if they begin to hear from their constituents with the appropriate urgency. For example, it is of note that Rep. Darrell Issa (R-Calif.) is on record as having criticized the abandonment of Glass-Steagall back in 2010.

A less visible grouping is the more than 150 candidates for office—ranging from Presidential candidates

to candidates for Congress and state legislatures—who have declared themselves to be in favor of restoring Glass-Steagall.

You wouldn’t know this groundswell existed if you simply read the “official” press, of course. With the exception of prominents such as former Clinton Labor Secretary Robert Reich, Massachusetts Democratic Senatorial candidate Elizabeth Warren, and former Kansas City Federal Reserve President Tom Hoenig, all of whom have received media coverage for championing Glass-Steagall, there is virtually no reflection of the extent of the support for this vital measure in the U.S. press. Even the recent dramatic surfacing of a highly placed faction of London bankers in favor of immediately reinstituting Glass-Steagall both in England and the U.S., has not penetrated into the thick skulls of the so-called political class in the U.S.

This is what the LaRouche movement is determined to change, with a dramatic escalation of its campaign for Glass-Steagall, whose necessity is once again hitting the popular consciousness through the overt crimes of Libor-fixing derivatives-traders et al.

Ruled by Fear?

President Obama and his coterie, of course, have quietly, but aggressively, made their opposition to Glass-Steagall clear. According to qualified reports to *EIR*, not only Treasury Secretary Tim Geithner and Fed Chairman Ben Bernanke, but even former Fed chair-



EIRNS/Sylvia Rosas

LaRouche PAC organizers in Los Angeles on June 18, building support for Glass-Steagall at the AFSCME trade union convention.

man Paul Volcker, have hit the phones to try to prevent Congressmen, and other leading political figures, from rallying to ram through Glass-Steagall.

And while Obama himself has said nothing in public, the White House website in March was compelled to answer a petition signed by more than 23,000 citizens, which called for the reinstatement of Glass-Steagall banking separation. Shamelessly, the Administration commissioned Brian Deese, deputy director of the National Economic Council, to lie through his teeth, and claim that Glass-Steagall would not have prevented the 2007-08 blowout, a blowout which Obama has infamously claimed was caused by “immoral,” but “not illegal” actions by the major banks.

Will Obama be able to continue to play dictator, in order to continue an economic policy which will result in increasing rates of death for the American population? The London shift to Glass-Steagall would indicate not—but there is no doubt that it will be a dramatic fight that many more Americans must join, not only to free the nation from the parasite banks, but also to politically remove the major political obstacle, President Obama, as well as his disastrous nominal Republican opponent.

Speaking Out

As the crime of Liborgate increasingly hits the American consciousness (keep in mind that this “scandal” became big news due to a major story, again, in the

London *Financial Times*), some supporters are speaking out.

On July 7, Robert Reich’s column, entitled “The Wall Street Scandal of All Scandals,” took up the Libor criminality from the standpoint of pushing for Glass-Steagall. He wrote:

“This is insider trading on a gigantic scale. It makes the bankers winners and the rest of us—whose money they’ve used for to make their bets—losers and chumps.

“What to do about it, other than hope the Justice Department and other regulators impose stiff fines and even criminal penalties, and hold executives responsible?

“When it comes to Wall Street and the financial sector in general,

most of us suffer outrage fatigue combined with an overwhelming cynicism that nothing will ever be done to stop these abuses because the Street is too powerful. But that fatigue and cynicism are self-fulfilling; nothing will be done if we succumb to them.

“The alternative is to be unflagging and unflinching in our demand that Glass-Steagall be reinstituted and the biggest banks be broken up. The question is whether the unfolding Libor scandal will provide enough ammunition and energy to finally get the job done.”

Reich’s message was reprinted on July 9 in the London *Guardian*, and has been circulated widely globally.

On July 13 Massachusetts Democratic Senate candidate Elizabeth Warren renewed her call on Congress to restore the Glass-Steagall Act, citing the new and shocking facts revealed in JPMorgan Chase’s second-quarter report, in a press release entitled “Warren Renews Call for New Glass-Steagall Act To Protect Consumers from Wall Street Gambles.”

Warren said: “Banking should be boring. JPMorgan’s disclosure today of massive losses shows they are still riding the roller coaster and they need months to figure out how much risk they have taken. The announcement of losses that are more than twice the amount that was initially disclosed shows how Wall Street continues to load up on risks that can threaten both our economy and the security of regular people.

“A new Glass-Steagall would separate high-risk in-

vestment banks from more traditional banking. It would preserve Wall Street's ability to take risks without threatening people's retirement accounts and life savings."

The Candidates' Movement

Warren is not alone. As of July 12, there were well over 150 candidates *EIR* has tracked (in addition to the LPAC-endorsed slate), who had publicly declared their support for restoring Glass-Steagall. At least 11 of these candidates, including LaRouche Democrat Kesha Rogers (Texas-22nd C.D.), had won their primaries (other than the incumbents who have already co-sponsored H.R. 1489), and are campaigning to restore the U.S. banking system to sanity. These include, so far, Congressional candidates for the general election in California, Indiana, and New York, as well as half a dozen third-party Presidential candidates.

Exemplary is Kevin Boyd, the Democratic candidate from Indiana's 3rd C.D., who wrote in response to an LPAC question on his support for Glass-Steagall:

"As you may know, H.R. 1489 would reinstate Glass-Steagall, which limited commercial bank securities activities and affiliations between commercial banks and securities firms, among other actions. I join Americans from both sides of the aisle in supporting this resolution.

"While I know that the presence of government in corporate affairs causes some trepidation among many people, I believe some government oversight is essential in the protection of its citizens. H.R. 1489 would help fix many of the issues not covered in the Dodd-Frank act, which many felt did not address all the important issues in preventing another financial crisis.

"The reinstatement of Glass-Steagall may actually reduce the means in which the government is involved in the banking industry. For example, the act would remove many of the safety nets in place that would no longer protect a bank from its riskiest behaviors, hopefully, forcing the banks to act more responsibly and in a way self-regulate its own activity.

"The original Glass-Steagall was essential in 1933, and created many of the institutions we see today that protect us as individuals from some of the more volatile aspects of the industry. It was also a key part of restoring America's economic power in the world and securing America's workforce. I believe that making sure Hoosiers and Americans across the country are finan-

cially secure is the key to re-energizing America's economy."

Replace Both Bums

With the necessity very clearly in mind, of replacing both disastrous "front-runners" in the Presidential election, by getting Obama out of office immediately, LaRouchePAC has laid out a multi-faceted plan of action. In addition to a broad propaganda offensive on LPAC-TV, LPAC members around the country will be holding weekly Days of Action to dramatize the criminality of the *system*, and the need for immediate reinstatement of Glass-Steagall. One major focus of these Days of Action will be Washington, D.C.

July 11 was the first of the new series of actions. Thirty-seven activists swarmed about Washington, including Capitol Hill, getting out thousands of leaflets on the British shift to Glass-Steagall, a crucial development of which most of our nation's elected officials were ignorant! Rallies were held in other locales around the country as well, including, most emphatically, Wall Street.

Meanwhile, the LaRouche candidates are mobilizing, in the spirit reflected in the conclusion of Christie's July 16 statement:

"We must be blunt about this [Libor] scandal. This is not just a case where the bankers have screwed us over yet one more time. This is systematic murder in the tradition of Adolf Hitler. Hitler will look like a mere piker compared to those who created this swindle and the resulting murderous budget cuts. We must put these criminals behind bars, including those in and around the Obama Administration. They cannot be allowed to claim ignorance of the consequences of the austerity demanded by their swindle. In the lead-up to the passage of Glass-Steagall and FDR's New Deal, Ferdinand Pecora put the worst of the Wall Street scumbags on the stand, and exposed their criminal activity. We must do the same today, and implement a new Pecora Commission immediately.

"However, we aren't going to wait for the conclusion of this new Pecora Commission to pass Glass-Steagall. Glass-Steagall must be implemented now, so that we can initiate today's modern New Deal, beginning with the construction of NAWAPA XXI to employ 6 million people starting immediately. This requires the implementation of an American credit system, where credit is generated based on the credibility of the future

wealth that it produces, and circulated through a regulated national banking system as Alexander Hamilton had designed.

“We are running out of time to make this happen. Both Obama and Romney must be dumped as candi-

dates now, before the conventions at the end of the Summer. This has been the mission of the National LaRouche Slate, and we will not stop now. As was said by the genius who had recruited layers of the British to join the American Revolution, ‘Join, or Die!’”

Signers of H.R. 1489

This is the current list of 71 Congressional co-sponsors to Rep. Marcy Kaptur's HR 1489 (by date of signing).

(init.) Marcy Kaptur (D-Ohio)
James Moran (D-Va.)
Walter Jones (R-N.C.)
John Conyers (D-Mich.), former
Chair, current ranking
member, House Judiciary
Committee, dean of Black
Caucus
Jesse Jackson, Jr. (D-Ill.)
Lynn Woolsey (D-Calif.), former
Co-Chair, Progressive Caucus
Jim McDermott (D-Wash.)
Louise McIntosh Slaughter
(D-N.Y.), ranking member,
House Committee on Rules
Edolphus Towns (D-N.Y.),
former Chair, House
Oversight and Government
Reform Committee
Maxine Waters (D-Calif.), former
Chair, Congressional Black
Caucus
Marcia Fudge (D-Ohio)
Kurt Schrader (D-Ore.)
Danny Davis (D-Ill.)
Roscoe Bartlett (R-Md.)
John Garamendi (D-Calif.)
Dennis Kucinich (D-Ohio)

Peter Visclosky (D-Ind.)
Jan Shakowsky (D-Ill.)
Barbara Lee (D-Ca), former
Chair, Congressional Black
Caucus, former Co-Chair,
Progressive Caucus
Mike Coffman (R-Colo.)
George Miller (D-Calif.), former
Chair, current ranking
member, Education and the
Workforce Committee
Hansen Clarke (D-Mich.)
Fortney Pete Stark (D-Calif.)
Michael Capuano (D-Mass.),
ranking member, Financial
Services Subcommittee on
Oversight and Investigations
Rep. Charles Rangel (D-N.Y.),
former Chair, Committee on
Ways and Means
Rodney Alexander (R-La.)
Raul Grijalva (D-Ariz.), Co-
Chair, Progressive Caucus
Daniel Lipinski (D-Ill.)
John F. Tierney (D-Mass.)
Donna Christensen (D-V.I.)
Al Green (D-Tex.)
Bob Filner (D-Calif.)
Tammy Baldwin (D-Wisc.)
Peter Welch (D-Vt.)
John Olver (D-Mass.)
Larry Kissel (D-N.C.)
Yvette D. Clarke (D-N.Y.)
Chellie Pingree (D-Me.)
Michael H. Michaud (D-Me.)
Henry C. “Hank” Johnson
(D-Ga.)
Zoe Lofgren (D-Calif.)

Peter DeFazio (D-Ore.)
Keith Ellison (D-Minn.)
Rosa DeLauro (D-Conn.), House
Democratic Steering and
Policy Committee (Co-Chair
for Steering)
Wm. Lacy Clay (D-Mo.)
Bennie G. Thompson (D-Miss.),
ranking member, Committee
on Homeland Security
Loretta Sanchez (D-Calif.)
John Lewis (D-Ga.)
Tim Ryan (D-Ohio)
Collin Peterson (D-Minn.),
ranking member, Agriculture
Committee
David Cicilline (D-R.I.)
Betty Sutton (D-Ohio)
Sheila Jackson Lee (D-Tex.)
Donald M. Payne (D-N.J.)
(deceased)
Frederica Wilson (D-Fla.)
Frank Pallone, Jr. (D-N.J.)
John A. Yarmuth (D-Ky.)
Michael F. Doyle, (D-Pa.)
Susan Davis (D-Calif.)
Dale Kildee (D-Mich.)
Edward J. Markey (D-Mass.)
Karen Bass (D-Calif.)
Eddie Bernice Johnson (D-Tex.)
Gene Green (D-Tex.)
Judy Chu (D-Calif.)
James McGovern (D-Mass.)
Paul Tonko (D-N.Y.)
Mazie Hirono (D-Hi.)
Donna Edwards (D-Md.)
Eni F.H. Faleomavaega (D-A.S.)
Silvestre Reyes (D-Tex.)