

Glass-Steagall: A Moment of Truth In Atlanta

The following leaflet, headlined, “Moment of Truth in Atlanta: Glass-Steagall or America Is Doomed,” was distributed by the LaRouche Political Action Committee at the recent National Conference of State Legislators convention in Atlanta.

Aug. 14—An army of Wall Street lobbyists has desperately descended on Atlanta for the annual convention of the National Conference of State Legislators. The issue on the table for all attending legislators comes down to one basic question: Will you support the reinstatement of Glass-Steagall, or will you sacrifice the future of all of your constituents, who will be doomed to a life of no pensions, no health care, no jobs, in order to bail out a bunch of Wall Street scoundrels who have looted every city, county, and state in America to bail out their worthless gambling debts?

Legislation to reinstate Glass-Steagall has been introduced in both the U.S. House and Senate. Twenty-four state legislatures—including California and New York—have introduced resolutions calling on their Senators and Representatives to support Glass-Steagall.

In 1999, the big Wall Street banks spent \$300 million to bribe and lobby Congress to repeal the 1933 law that broke up the Depression era “too-big-to-fail” banks. Back in 1933, through the Pecora Commission, scores of top Wall Street crooks were carted off to jail for tax evasion and for stealing depositors’ funds. Today, the Justice Department has a policy of “too-big-to-jail.” Wall Street tycoons know that they can literally get away with murder, as the case of Detroit illustrates. The citizens and municipal workers of Detroit were robbed blind through complex schemes such as “inter-

est rate swaps,” which were actually a cover for the rigging of LIBOR rates to assure the big banks that they would profit, while every city, county, and state in America paid through the nose. Last year alone, America’s cities and counties shelled out \$30 billion to Wall Street, while social services and wages collapsed and unemployment climbed.

The necessary first step for a reversal of this collapse of the conditions of life of the vast majority of Americans is the reinstatement of Glass-Steagall. Under the pending bills in the House and the Senate, the too-big-to-fail banks would be broken up into separate commercial and investment banks. No longer would taxpayers or bank depositors be liable for the gambling debts of the Wall Street speculators. Freed from those trillions of dollars in gambling debts, credit could be injected into the real economy to begin the process of productive job creation, infrastructure, and all of the other essentials of life that too many Americans are losing today.

Glass-Steagall or Death

The NCSL is a leading organization, with special responsibilities in these times of crisis. If you want to save this nation and begin a period of unprecedented economic expansion, then you must support the reinstatement of Glass-Steagall. The Wall Street lobbyists who have been here in great numbers are terrified that you will act on behalf of your constituents. They have no argument to make against Glass-Steagall. All they can do is make hollow threats that they will take away jobs and cut off campaign contributions. They themselves know that the vast majority of Americans want a return to Glass-Steagall. The American people are not willing to put up with trillions of dollars more in bailout money for Wall Street criminals, but that is what is coming again soon, unless Glass-Steagall is passed through Congress by an overwhelming majority.

Your colleagues in the U.S. House and Senate are looking to you here in Atlanta to give them the backing to push through Glass-Steagall. You have an historic responsibility foisted upon you. Do not shrink from that responsibility in the face of Wall Street desperation and intimidation. You know what your constituents desperately need.

The moment of truth has arrived. It is literally a choice between Glass-Steagall, and mass starvation and death.