

Winning the Fight For Glass-Steagall

Andrea Boland is a Democratic State Representative from Maine.

...I was introduced to the fight for Glass-Steagall in my own legislature: We passed a resolution memorializing the Congress of the United States and the President to return to the law of Glass-Steagall, and I knew something about it, a little bit about it. And certainly I had a vivid memory of when I first heard on the news that it had been disposed of. I remember I heard it on the news; I was waking up in the morning—I went, “What on Earth are they doing?”

And it was funny, that moment in time just stayed with me. And then, I was at a conference in Atlanta, the National Conference of State Legislatures, on a different issue, and I was there also to support Glass-Steagall in another committee.¹ But what happened there was that the state senator from Delaware, who was there to present a resolution—it’s the largest conference of state legislatures in the country—to return to Glass-Steagall. And [the senator who had] stood up to the banks for some time, with great courage and determination, finally succumbed to their pressure, there, in Atlanta. And for some reason, I was recognized as someone who might be able to pick up that banner.

Which I did. Happily. I have taken on some other big industries in Maine, and so this wasn’t any different, and I knew it was important. What was interesting,

is that it was a very fair resolution; it was modest, I would say. And I knew that there were others, too, that would back me up, because it was somewhat organized—well organized, really.

So that’s what we did, and what was stunning to me, is the number of legislators who did not stand up for it. And that was really troubling, but it was also an indication of how powerful the lobbyists are that are in the employ of what we now refer to as the banksters. It was really something, and it was troubling, and luckily, all my fellow Mainers did stand with me on that.

That was the beginning of my introduction to more deep thought about this, but certainly I had been looking at the effects in the state legislature, as more and more, we were abandoning some of our commitments to pensions, and health insurance, welfare of those most in need, and understanding that we just didn’t have the dollars, and couldn’t get them.

Also, problems about economic development: We didn’t have the roads that we really

should have. Of course, Maine is kind of a uniquely problematic place; it’s got a small population and many, many miles of roads.

Derivatives vs. Rail Lines

But anyway, at this time, I was happy to accept the invitation to speak to you and share with you a little bit of what I do know now, and that is, that we’re just hundreds of billions and trillions of dollars away from being a successful society. And the money that is being spent on such things as derivatives and mortgage-backed securities, that are traded and re-traded, is depriving us of the most basic things that we need in our society. While China has built 12,000 miles of high-speed rail lines, in just the last few years, we have built none! Russia and China are signing agreements to build rail line tunnels from Siberia to Alaska, but we have no plans to meet these lines, when they hit the United States. The southwestern United States is undergoing terrible drought conditions, threatening our food supply, but we have no



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EIRNS/Stuart Lewis

1. See “Fight over Glass-Steagall: State Legislators, Bankers Clash at Legislative Forum,” *EIR*, Dec. 13, 2013.

new water projects, of any significance, over the last 50 years. California has abandoned 500,000 acres of farmland, and the cattle herd is at a 65-year low!

We haven't addressed some of these major problems. The problem that I was discussing, when I was first in Atlanta, and met with the LaRouche group, was the security of our electric grid, from extreme solar storms and electromagnetic pulse weapons of foreign nations, and devices of terrorists. One strike from the Sun, which is 100% probable, and could come at any time—and in fact, is somewhat overdue—could take down our entire national grid, and it would be down for months, or years, and we are without replacements for the major transformers on which it depends. We've left such projects undone.

And although it's been tried for years to get it past Congress, I'm happy to announce, I was able to get it through Maine! That does continue to be somewhat of a struggle, to make sure the utility companies actually get the protections on. But the point is, at least in this one case, I knew a little bit more about how the infrastructure has been ignored, and obvious solutions have not been employed, inexpensive solutions: The kind of fixes that we're talking about would cost the average household less than \$2 a year for four or five years, to protect us from totally being destroyed by such an event.

Instead, we have the problem of the commercial banks and the investment bankers having been able to do the work that each one used to do separately. In the process, apparently looking over and seeing the grass looked greener in the other yard, they made kind of a mess of the yard, both of them. So now, we have banks that are gambling, instead of investing in such things as infrastructure, economic development, Main Street instead of Wall Street, and we are left with the job of bailing them out, which we've been doing, billions and billions of dollars a month.

And the peculiar thing about it, that I've come to understand, is that while we've bailed them out, they have not written their losses down. They have not taken those losses: They've kept the assets there, on their books, causing the rest of the country, our average folks, to think that the banks are in better shape than they are. And in fact, it appears that their assets have grown about 30% over the last five years—these are at artificially inflated values. And they're kept artificially inflated, so as not to worry us poor souls who think our money's okay in their care.

One of the things that I also noticed, as I've just been campaigning, and going around communities in Maine: There are so many homes that are abandoned. They're empty, and they have been for a long time, and their neighbors know it, whether they're foreclosures, or people have left them, they stand empty. And that brought home to me a little bit more about what the banking crisis was, because one would ask oneself, well, why don't the banks at least rent them to the depressed owners or others, at some price that is reasonable? Well, maybe because it's to their advantage to leave them sitting there, assessed at their former valuation, rather than what they really are now, in depressed circumstances. It's all really very cynical, and really just more than one can bear, as you look from one place to the next.

Bail-In Is Here

We worry about bailing out these banks, that are so disconnected from reality. But now, the problem we also face is bailing in! So that, in this case, the banks may very well come to the point of seizing our own accounts, to help pay off their debts, their problems. Our investments, our bonds—as it was done in Cyprus and Spain, and the people lost their deposits! What kind of upside-down sort of thinking is that? And terribly depressing!

Again, as I'm walking around campaigning, talking to people, they talk about the loss of their pension funds, and they talk to me about the decrease in the amount of their state pension funds, teachers' pension funds, things that were promised to them. And what else is that, except the states responding to a need that they have, as a result of not having the wealth to move forward: no investment in infrastructure, and business, education, science.

I work with some fabulous scientists in some of the different things that I do, and the one that I am closest to, rely on the most, has multiple PhDs—he probably is a genius—and he talks about how our best scientists are leaving this country, because we're not investing in them, and in good science, and in doing the best things that we can do. And all this is just making a circular problem here, where if we can't afford to invest in science, then we're really not going to advance.

So, as I became more familiar with this problem about abandoning Glass-Steagall, I've certainly joined hands with those from the LaRouche people, the Schiller Institute, in support of the bills now before Con-

gress, which would immediately break up the big Wall Street banks, and only protect commercial banking. Instead of the investment banking being covered by what only commercial banking should be, that kind of insurance, they would have to fend for themselves. They don't like that.

That's *why*, when I was in Atlanta, they approached me and tried to talk me out of making my statement to the banking committee, there, on returning to Glass-Steagall. They came up to me in the lobby, and said, "You are about to go on a national stage: Are you sure you want to do this?" It was very scary. Of course, I said, "Yes." And they said, "Well, why didn't you contact us? Why didn't you call us, before you took this step?" And unfortunately, it was actually sad to me that these were bankers from Maine: They were representing J.P. Morgan and Bank of America, but they have their banks in Maine, and they told me how they had—I think it was Bank of America—about 1,300 employees in Maine—and 8 in my town! So, it was overwhelming.

My hope and belief is that if we return to Glass-Steagall, those people who are employed in banks, in Maine and elsewhere around the country, will be more secure, not less, as a result, as people understand the banks are now working for them.

So, I'll continue to work with legislators that I know, and try to push these issues. It hasn't been easy. I seem to come up with different things that are problematic to our leadership. And in fact, all I can really say at this point—because I don't know what my future is—I'm, in fact, a state representative, not a state senator; I'm term-limited out this year. And the campaign that I just referred to was a campaign for state senate, which I just lost by 19 votes. But the stunning thing was that the leadership of my Democratic Party was stunned that I came that close. They were stunned that so many people in the district supported the message that I had, which had to do with things such as banking reform, Glass-Steagall, protection of the electric grid, and some other things, and pushing back against lobbyists and special interests that patrol the halls of our state capitols.

So, in closing, I guess I would just exhort everyone here, to continue to reach out and remind your own members of Congress and state legislatures of the importance of returning to Glass-Steagall and some of the other subjects that have been covered here today. But also, don't forget about the states. Because, in fact, the states may be the places where you can make more progress, faster—not the whole thing that we'd like for

the whole nation—but perhaps we can shame Congress if we pick off some states, like Maine and others, one at a time.

Thank you very much for your attention.
