

The Real Leaders of Congress Come Forward for Glass-Steagall

by Robert D. Ingraham

Feb. 5—On February 1, 2017, four leading members of the U.S. House of Representatives—Marcy Kaptur, Walter Jones, Tulsi Gabbard, and Tim Ryan—held a Press Conference, at which they announced the introduction into the new Congress of legislation, with twenty-six co-sponsors, to effect the immediate re-enactment of Franklin Roosevelt’s original Glass-Steagall legislation. At that press conference these four Representatives both motivated the legislation and explained what has brought each of them to take a leading role in this effort. They described, in some detail, the destruction and suffering that has resulted from the Repeal of Glass-Steagall in 1999. At the same time they were explicit in their warnings, that a failure to re-institute Glass-Steagall, at this time, is threatening to plunge the United States into an even greater financial and economic crisis. (See the transcript of the press conference below.)

These four Representatives—three Democrats and one Republican—were explicit that they stand ready to work with President Trump if he honors his campaign pledge to restore Glass-Steagall. In a very real sense, although not stated in words, these four leaders, by their example, were calling on all members of Congress, both Democrats and Republicans, to “reach out across the aisle” and join in the urgent business of saving the nation from financial ruin.

The intensity of the mobilization to restore Glass-

Steagall was underscored by several events which took place in the Capital in tandem with the press conference. On the same day as the four Representatives were speaking, President Trump’s Press Secretary, Sean Spicer, in response to a question from *EIR* correspondent William Jones at the White House Press Conference, stated explicitly that President Trump remained committed to his campaign pledge to restore Glass-Steagall.

At the same time, three separate lobbying teams arrived in Washington, D.C. for a day-long effort of political discussions and lobbying. This included: a team of sixteen people from Ohio, Kentucky, and West Virginia, organized by “Our Revolution,” which is circulating a petition in support of Glass-Steagall; a delegation of eighteen people from New York, New Jersey, and Pennsylvania, organized by LaRouche PAC; and a second LaRouche PAC team of six people



LaRouchePAC

Congresspersons Walter Jones, Tim Ryan, Tulsi Gabbard, and Marcy Kaptur

from Virginia and Maryland.

During the course of the day, these activists held meetings with twenty-five Congressional offices, in both the House and Senate. The effects of the partisan warfare being inflamed by George Soros and the establishment news media were on display in many of these meetings. Nevertheless, serious discussions occurred, often going well beyond the allotted time. The urgent necessity for Glass-Steagall to avert a new financial crash was recognized by many. Additionally, many of the deliberations were characterized by a more in-depth quality, focusing on elements of LaRouche's Four Laws, including the funding of a Hamiltonian National Bank for Infrastructure and Manufacturing, via swapping existing U.S. Treasury debt and the need for U.S.-Chinese-Russian collaboration on space exploration and development. All of this was posed from the standpoint of patriotic interest and the only pathway out of the current crisis.

Standing for the Nation's and the People's Interests

At a celebration of his 90th birthday, in 2012, Lyndon LaRouche forecast the end of the two-party system in America, stating that we had now reached a time of transition in which critical economic and national security concerns would begin to override the restrictions of partisan party politics.

Much as in 1856 when patriotic elements of the failed Democratic and Whig parties came together to give birth to what would become, five years later, the Lincoln Presidency, or the rallying of crucial elements of the Republican Party, in 1933, to give support to key initiatives of the new Franklin Roosevelt administration, American citizens—and their elected Representatives—now find themselves at a moment when the continued persistence of partisan “party politics” threatens to destroy any potential for the positive change which was created by the victory of Donald Trump in the November election over the Hillary Clinton/Barack Obama clique.

There are some individuals who now fear that, given the enraged intentions and efforts of Obama, Soros, and Wall Street, the Trump Administration may not be able to carry out its plans. The answer to such fears—the method whereby pessimism might be defeated—was delivered by Representatives Kaptur, Jones, Gabbard, and Ryan at their Feb. 1 press conference. That press conference marked a total break from the deluge of cor-

rosive hyper-partisanship being led by ousted murderer Barack Obama himself, and fueled with millions of dollars of George Soros' drug-money. Here, instead, were patriots seeking to unite the House of Representatives, and unite it with the Senate and the Presidency, in behalf of a critical immediate step of vital national interest, and, in fact, of vital world interest.

What was personified, at that press conference, was the transcending of traditional party politics, just as LaRouche announced in 2012—to be replaced by a patriotic motivation. This necessary transformation of the political process is the absolutely necessary change which must occur if the nation is to go beyond the initial victory of Glass-Steagall re-enactment—toward a full embrace of LaRouche's “Four Laws” of June, 2014. Those Four Laws are an indissoluble unity. They are the principle without which nothing will work; this nation can only be saved by men and women of principle—and this is the principle. “This is what's real,” as LaRouche stated on Feb. 3. “The rest is chatter.”

Rep. Marcy Kaptur Reintroduces Glass-Steagall 'Return to Prudent Banking Act' H.R.790

Feb. 1—Here are the opening remarks by the four originating sponsors at their press conference, to re-introduce the Return to Prudent Banking Act, H.R.790, into the 115th Congress: Marcy Kaptur (D-Ohio), who introduced it into the 114th Congress; Tim Ryan (D-Ohio), Tulsi Gabbard (D-Hawaii), and Walter Jones (R-N.C.). The full press conference is posted to <https://larouchepac.com/20170201/glass-steagall-bill-reintroduced-115th-congress-hr-790>

Rep. Marcy Kaptur: I'm going to have my dear colleagues—Congressman Walter Jones of North Carolina, to join me up here at the podium, and also Congresswoman Tulsi Gabbard of Hawai'i, and Congressman Tim Ryan of Ohio. I thank them very, very much for joining us here today, and we want to welcome all of you,

Kaptur: We gather today on our country's behalf and for many, many citizens who didn't have the where-

withal to be here this morning, but nonetheless who would benefit by our common efforts.

This year marks the ninth anniversary of the greatest financial crisis in a generation. We're all old enough and our memories are good enough to remember that. That economic disaster nearly caused the destruction of our country's *entire* financial infrastructure and led to what history now calls "The Great Recession."

During the last nine years, if we look back and remember, Wall Street banks have succeeded and actually have made a great deal of money. Meanwhile, many, many Americans have continued—literally millions—to experience what we would term "financial failure." JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley have all reported record profits during the recession *and* the years following. Wall Street in the last nine years has regained *all* its pre-crisis wealth *with interest*, while Main Street has yet to see a real recovery in so many communities from coast to coast.

And just to give you a couple of numbers: Fifteen years ago, the assets of the country's six largest banks were approximately seventeen percent of our total production, Gross Domestic Product—seventeen percent. Today, these top six banks hold \$10.1 trillion in assets, *over half of our GDP*. This is too much power in too few hands. So not only have they profited handsomely, but they have come to command the major control centers of our economy.

Due to the financial crisis, JPMorgan Chase holds approximately 208,000 mortgages considered seriously delinquent, just in Ohio, while an excess of 700,000 homes are under water in our state. And Congressman Ryan and I know that problem well, and I know it's repeated in Hawai'i and repeated in North Carolina, as well.

During the 1990s, Wall Street's biggest banks and speculation houses concocted a fraudulent and greedy scheme to create false money. Then in 2008 their crime exploded. And you remember the collateralized debt obligations, the securitization of loans nearly destroyed capitalism itself. Their recklessness was so extreme it wiped out the net worth of *forty-four percent of Hispanic-American households*—think about that—since the founding of the Republic; *thirty-three percent of African-American households*; and *eleven percent of Caucasian households*, respectively.

Being from Ohio, I can say in the Cleveland area, every area of Ohio—Toledo, Columbus, it doesn't

matter where you go—Ohio was hit very, very hard. Actually harder than other parts of the country which were terribly harmed because of the nature of our manufacturing base and the type of state that we are.

So this taking by Wall Street was of historic dimension, never reimbursed to this day. It sucked out the wealth from *millions* of American families, and of course the movie, "Capitalism: A Love Story," documented that in real time, going back to 2008 and the days thereafter. <https://www.youtube.com/watch?v=CkTkYQkG13w>

It is time for Congress that these failures in our banking system are never repeated, and that is why we are here today. And I thank my colleagues so very, very much for joining me, to build on the momentum and a movement to reinstate Glass-Steagall, to *separate* prudent commercial banking from speculation.

Since last summer, 15 state legislatures have introduced resolutions calling for Congress to reinstate Glass-Steagall, and Democrats and Republicans have memorialized support for Glass-Steagall in their respective political platforms, which was an enormous achievement by all of you, and others around our country who have worked for this for a very long time, who have long memories.

Even President Trump has declared his support for a new Glass-Steagall law, and we are obligated to work with him to create that. So I was proud to join the 57 members of the House who several years ago voted against the Gramm-Leach-Bliley Act which overturned the Glass-Steagall Act. And after I was one of those that voted against it, I remember that vote well in the late 1990s; it released a greed and abandon on Wall Street that had been capped since the Great Depression years of the early 20th century. The law was a clear signal, by removing it, that Wall Street was in charge. And speculation houses grew larger and riskier, and, as we predicted, the house came crashing down. And American taxpayers were given the bill, when the deregulated financial sector fell apart.

I'm not sure we still know the whole truth. History will track and help to right the reality of all of that. But we know that Wall Street has sunk its teeth deeply into the flesh of our Republic, influencing more and more who is elevated to office, but also how money flows, how money flows in this economy. I'm amazed when I go to audiences in my district and I say, "How many of you are paying a mortgage to one of the six institutions I just mentioned? How many of you have your student loan or your car loan end up in their hands? You ask at

your church, you ask at your school, you ask in your neighborhood meetings, you ask in your veterans posts, you will find those names: They control the levers of this economy.” And you’ve noticed, even with the new administration, where the appointees who are being selected worked before they came to the new administration: We have at least seven from Goldman Sachs alone.

These banks have to be made prudent again, and restoring Glass-Steagall is a first step, among many other items that this Congress must address, like campaign finance reform, to drain the swamp, really; better trade deals, and better deals for American workers.

I would now like to call upon my dear colleague from the state of North Carolina, who has been an original cosponsor and leader on this for many, many years: Walter Jones, one of the most honorable and thoughtful, and really, a man of great conscience for our House that members on both sides of the aisle so deeply respect. Walter, thank you for being with us today. [applause]

Rep. Walter Jones: Marcy, thank you very much. And I cannot add much to what she told you about the history and the threat to our nation. And so I’m going to make a few comments, and I first will tell you that I’ve said many times in my district, the two worst votes I cast as a Member of Congress: First was the Iraq War, that was a very unnecessary war; and the second was Repealing Glass-Steagall. So, since that time, I came out in 2003 or 2004 with Ron Paul, Neil Abercrombie, and Dennis Kucinich to set up a timetable to get out of Iraq. So, I’m trying to make amends for that sin.

The second sin, which I’ve already mentioned was the repeal of Glass-Steagall. So, after seeing what has happened with the financial markets, it became pretty evident that I had made a bad mistake, no question about it. So, my dear friend, Marcy Kaptur, who’s taken the lead on this issue for a number of years, and I, had many conversations on the floor of the House and she knew of my admitting publicly that I had made a mistake; and she knew and I knew that she was going to try to correct this problem of trying to have a reinstatement of a Glass-Steagall. And so she and I have worked together. She’s been the lead, I’ve been the half-back. She’s been the quarter-back and the coach, but I am



President Franklin Roosevelt signs the original Glass-Steagall Act.

there as a half-back and I can either run with the ball or I can block.

I am pleased that she made reference to Donald Trump and I’ll read one paragraph and then I’m going to close. “United States Republican Presidential candidate Donald Trump on Wednesday called for a ‘21st-century version of the 1933 Glass-Steagall law that required the separation of commercial and investment banking, a change the Republican Party also supported in the 2016 Policy Platform.” [Reuters, Oct.26]

I intend to be very proactive. As soon as the White House gets a little bit better organized, I intend to reach out to his advisors on commercial matters and remind them of the position that he and my party have taken on a reinstatement of this Glass-Steagall Act.

So with that, Marcy, I want you to know that I am committed to this, as much as anything I’ve ever been committed to. Again, I am your half-back. I think Tim is the defensive end [laughter]—but I am your half-back and I will be out there and take every step in whatever you need to do.

But as she has said, and this is my close, “You are the key to this.” The American people have got to understand the attack and the damage that has been *done to them* by the fact that we repealed Glass-Steagall. Let’s make this a *victory*, this year of 2017. Thank you. [applause]

Rep. Kaptur: Thank you, Walter. Thank you so very, very much. I'm going to call on Tulsi Gabbard now. She has another committee hearing that she has to go to—just an electric, talented Congresswoman from the state of Hawai'i.

Rep. Tulsi Gabbard: Thank you. Good morning and aloha. It's great to start our day here with you, dealing with and addressing this incredibly important issue. I want to thank Marcy and Walter for your leadership on this, persisting through many great challenges to continue to bring the plight of the American people to the forefront. When we're dealing in the highly divisive, partisan environment that we have, what I hear from folks in my district in Hawai'i and from people across the country is a demand that leaders in Washington hear their voices, to understand the challenges that they and their families are facing, the struggles that they continue to go through because of situations like this, because of the repeal of Glass-Steagall; because of what the Wall Street banks have done to them. I couldn't be more proud to be cosponsor of this legislation, because it seeks to address a wrong, again, that people are still suffering the consequences of.

We have continued to see the rise of these banks that were too-big-to-fail back then, that are even bigger, now. We continue to see the consequences of the repeal of Glass-Steagall first-hand in communities like mine and in communities across the country, where Wall Street banks have been allowed to conduct their risky investment practices with the American people's money. They have been allowed to continue to gamble for their bottom line and their profit on the backs of the American people. This is unacceptable.

This is not a partisan issue. This is an issue that is important to the American people, and why you see bipartisan support for this important legislation. I've long been a proponent of restoring the Glass-Steagall Act and look forward to being able to continue to work with allies and partners here in Congress, in the White House, and most importantly, the American people, whose voices must be heard. Thank you so much. [ap-
plause]

Rep. Kaptur: Thank you Tulsi, and thank you for your work on the Democratic Platform, in order to get this issue inserted, this past year. That has helped us so very, very much; thank you.

I'd now like to call on someone whose district and

whose state has lived this problem for many, many years now—our very able and energetic and brilliant Congressman from Youngstown, Ohio, Tim Ryan.

Rep. Tim Ryan: Thank you. I want to thank Marcy and Walter, too and just let Walter know that as a Cleveland Browns fan, you don't want me participating in any blocking or tackling, or throwing or running. I'll sit this out, and help from the sidelines, maybe.

I want to thank Marcy and Walter for doing this, and sticking to this. Walter mentioned the word "sin," and I think this repeal was the original sin of the downward spiral of our economy that led to completely wiping out neighborhoods in my Congressional District and all across the state and country. And so this act is a way for us to, as us Catholics would say, "go to confession," and have this stain removed from the body politic in the United States, and hopefully start to restore some level of sanity to our banking system. And this is a great first step.

And we've seen the heartache, we've seen the neighborhoods wiped out, the tax base eroded in so many communities, the school districts that were affected by so much of this, and just a lot of heartache down the line. And so, let's get back to a place where we're actually operating from a principled place that puts the people before the banks. And this is a great opportunity, I think; as Walter said, the President of the United States has made this a priority. There are plenty of Democrats who want to continue to make this a priority, and I think even more so if they think it's possible. So this is a great first step. I'm happy to be a part of this and continue to support this, and continue to support my colleagues and try to rectify some of these problems that devastated our state, and which—and Marcy knows this—we're still recovering from. We're still not anywhere close to being out of the woods. And hopefully once we plug this hole, we can really begin the process of really rebuilding and giving the American people the kind of government they really deserve. Thank you.

Rep. Kaptur: Thank you, Tim, so very, very much. I'm old enough to remember when there were savings and loan institutions in our country, and literally, you could earn 9% interest. And, then there were crises in the 1980s in California, housing crises, and legislation came before Congress to get rid of the savings and loan institutions which had been especially set up to make

mortgages and to handle the real estate market. I voted against the changes that gave the commercial banks the power to absorb the savings and loan institutions, essentially.

And since that time, what we have seen happen, commercial loans have a seven-year life, a mortgage has a thirty or forty-year life; they're different species. But they mixed them together, and then what happened was Wall Street, during the 1990s, did exactly what we thought they would do: The commercial banks then tried to get into the mortgage business, but guess what they found out? They couldn't make as much money as they could with their commercial loan portfolio—as fast as they wanted to! And so that's when they invented the instruments like securitization, and collateralized debt obligations, to try to jimmy-rig the system, because it wasn't producing profits fast enough.

And by then, of course, they removed the laws that separated speculation from banking! Yeah, we have a stock market: If you want to invest and you lose your money in these highly risky instruments, you have a right to do that—but not to put in jeopardy the savings of the American people. And the largest form of the savings we have is the home mortgage.

So what we've seen is a revolution really in the banking system, happen slowly—it happened slowly, and people missed some of what happened here; legislatively that set the new ground rules for this greed and

for this abandonment. So what we have is, we have a system now, where the housing market is floating in this very speculative world, and these very same institutions that are doing the high risk investments, are also receiving your mortgage payments. And it's a very combustible mix: We saw that in 2008. So this is what's going on. And every American citizen who has a savings account, which is a good thing to have a savings account to save for the future—it shows you're prudent, it shows you're managing your money well—show me any place in the country that's paying over two percent for savings! You're more likely [to get] 0.1 or 0.5, if you're lucky. I think the highest one in Toledo is 1.7, you know, in a credit union—and only one credit union is doing that, and I'm not sure they're Federally insured. I have to check that one out. [laughter]

But you know, you think about really robbing the American people, with the type of interest rates, and my brother says, “You know what, Marcy, you know what this is like? You have to pay the bank to take your money!” I say, “Yeah, what kind of system is this?!” And then, if you have a student loan, the interest going up each couple years, the rate for those students goes up. So really, the tables are turned the wrong way on the American people. And the banks need to pay a higher rate for renting your money. And that's what this is all about.