

## ATLANTA LEGISLATORS CONFERENCE

# Pitched Battle Erupts Over Glass-Steagall

by Tim Rush

Aug. 19—A team of LaRouchePAC organizers led by Diane Sare and Bill Roberts of the LaRouchePAC Policy Committee, and joined by LaMar Lemmons, president of the Detroit School Board, turned the Aug. 12-15, 2013 National Conference of State Legislatures (NCSL) Summit in Atlanta, Ga., into a pitched battle between patriotic legislators and Wall Street sharks, who deployed with unmitigated hysteria to prevent the passage of a resolution calling on Congress to restore Glass-Steagall.

While the Wall Street forces prevailed at the convention, the battle has energized broader forces to in-

tensify the battle, with the determination for victory, once Congress comes back into session Sept. 9.

LaRouchePAC had done intensive work with state legislators across the nation, as evidenced by the fact that 24 states have either passed or are considering resolutions in support of the reinstatement of Glass-Steagall. As a result, a resolution was submitted to the NCSL by Delaware Sen. Cathy Cloutier and put on the official agenda.

While there is no question that the NCSL was well-prepared to consider a sweeping national endorsement of the reinstatement of the Roosevelt-era legislation that protected citizens from the ravages of Wall Street, much of the education those present received on just how critical the passage of such a measure indeed is, came as a result of the over-the-top, rage-driven hysteria and downright thuggery which the Wall Street lobby was prepared to employ to stop even so much as a debate of the Glass-Steagall principle.

### Both Sides Prepare

In the week preceding the conference, LaRouchePAC organizers and activists called or e-mailed a large majority of the legislators attending the event, with special attention on the Communications, Financial Services and Interstate Commerce (CFI) Committee, which was assigned the resolution on Glass Steagall.

A number of the legislators had already been receiv-



*Delaware State Sen. Catherine Cloutier, first introduced, and then, under intense pressure from the vulture-bankers and her state delegation, withdrew a resolution in support of Glass-Steagall. That's when the fireworks began.*

ing LaRouchePAC's Legislator Alert newsletter, and a special emphasis was placed on contacting those sponsors or co-sponsors in the 24 states that have considered or are currently considering resolutions.

What LaRouchePAC found out, once in Atlanta, is that the Wall Street banksters had conducted a similar call-up, concentrated on the 60 members of the CFI Committee. Since they knew it would be virtually impossible to get any honest state legislator to publicly support, or even justify, Wall Street's crimes, they didn't try. Instead, they pushed for the legislators to "just stay neutral," and abstain from taking any position, in the hope that the bankers could either buy off enough dishonest lawmakers, or at least deprive the hard-core Glass-Steagall supporters of a quorum.

One legislator reported that there were calls by "financial interests being made to the delegates," and that this had been discussed among members of the state delegation. Another legislator not only received numerous calls from bank lobbyists before leaving for Atlanta, but continued to receive calls upon his arrival. In fact, he received a call while he was sitting in the hearing room!

The LaRouchePAC team plunged into organizing as many legislators as possible in informal encounters. In the course of the four days, approximately 200 legislators were briefed.

Many who chose to support the Glass-Steagall fight were acutely aware of Wall Street rip-offs in their own states and territories, such as a representative from Puerto Rico, who was in a huge fight with UBS over pensions that were being cut by over 50%.

### The Vultures Arrive

The NCSL staff had granted the sponsor of the Glass-Steagall resolution, Senator Cloutier, 15 minutes to present the resolution at the Committee's "financial services update" forum Monday afternoon, for debate and vote, in preparation for the business meeting the next morning.

In the half hour before the forum, the vultures arrived. A top national lobbyist from JPMorgan Chase, accompanied by its Delaware spokesman, Don Mell (the hooligan at the June 19 State Senate hearing in Delaware),<sup>1</sup> showed up outside the hearing room. By

1. See Steve Komm, "JP Morgan Smoked Out in Delaware, Lies About Glass-Steagall," *EIR*, June 28, 2013.

the time of the forum, at least eight more vultures were spotted, including a senior vice president of Bank of America from Washington, D.C., and lobbyists for Citibank, Wells Fargo, and Goldman Sachs.

The Morgan men attempted to browbeat the the sponsor, Cloutier; a member of the LaRouchePAC team intervened, and tore into the lobbyists for their crimes and arrogance.

Many of the attendees were growing increasingly annoyed by the banksters' nuisance calls prior to the convention. But, many more were simply shocked to find such a large, high-level group of bankers and lobbyists at the meeting, and reported that the Wall



*Detroit School Board President and former Michigan State Rep. LaMar Lemmons warned the legislators that, without Glass-Steagall, every city in the nation was faced with the same bankers' wrecking ball that has dismantled the city of Detroit.*

Street show of force wasn't just unusual, but *unprecedented*.

In the forum, the Washington, D.C. representative of an association of state banking regulators droned on and on, but was compelled at the end to list Glass-Steagall as one of three options being considered to remedy the failings of Dodd-Frank. She tried to dismiss all three as not going anywhere, but even this faint nod to reality was sufficient to give a psychological jolt to the room.

But *nothing* could have prepared the phalanx of banking bruisers for what then unfolded in the testimony: the slashing words spoken by Cloutier, Sen. Perry Clark of Kentucky, and former Michigan state legislator LaMar Lemmons (see below for their remarks), on the *criminality* of the Wall Street high-and-mighty then, in the 1930s—when Ferdinand Pecora and President Franklin Roosevelt took them on—and the even greater criminality today. Throughout their testi-



*In his testimony motivating the Glass-Steagall resolution before an NCSL committee hearing, Kentucky State Sen. Perry Clark stated bluntly, “We can no longer bail out the banks and not bail out the people.”*

mony, a huge slide of Pecora, facing off against the Wall Street moguls, was shown on a screen dominating the wall behind the speakers.

This was the end of the formal part of the forum, and the beginning of a riot among the bankers. A typical vignette: One of the Wells Fargo bankers fulminating at Lemmons about how disgraceful the presentations had been.

Lemmons: “I guess we have to respectfully disagree.” Banker: “You call what went on in there *respect*?”

Over the next 18 hours, as it became increasingly apparent that the support for the Glass-Steagall resolution was not only significant, but growing, the bankers became increasingly desperate. Legislators reported that the Wall Streeters didn’t bother to argue against Glass-Steagall on policy grounds. Instead, they employed thuggery and extortion, threatening to pull jobs and revenue from states that didn’t back down.

Apparently, it was precisely this argument that front men for the bankers inside the Delaware delegation relentlessly made to Senator Cloutier, as well as contacting other legislators on the committee with combinations of pressures and LaRouche-baiting. Just before the business meeting the next morning, despite her passionate presentation in support of Glass-Steagall just a few hours earlier, Cloutier revealed to a LaRouchePAC organizer that she was planning to withdraw the resolution. A top national lobbyist for JPMorgan Chase, standing just behind them, pronounced, in true mafioso style, “It’s dead.” He was told that, in fact, it is JPMorgan Chase that is dead.

Inside the room, prior to the discussion of the Glass-Steagall resolution, the bankers were whispering loudly to each other with elation, “She’s going to withdraw it.”

## The Withdrawal Changes the Dynamic

Once the withdrawal was announced, a new dynamic took hold.

LaRouchePAC had been strongly pushing the Glass-Steagall-Plus<sup>2</sup> program in the statehouses over recent months, which added to the pre-NCSL conference mobilization, and the intense organizing at the convention itself, including very effective work by LaMar Lemmons with the NCSL’s Black Caucus and others, on the bankers’ wrecking of Detroit.<sup>3</sup> This laid the groundwork for a reaction the bankers didn’t expect.

There is a veneer of public civility and camaraderie at these kinds of events which the bankers’ heavy-handedness had shattered. It is almost unheard of for a resolution to be pulled back so abruptly; in this case, Cloutier’s explanation for her sudden reversal—“I’m a supporter of Glass-Steagall, but my delegation has insisted I withdraw this resolution”—simply lacked credibility.

There was a spreading sense that something foul and untoward had happened, and continued for the rest of the day Tuesday.

Then, on Wednesday morning, the LaRouchePAC team intervened with the leaflet “Moment of Truth in Atlanta: Glass-Steagall, or America Is Doomed” (see below), as the attendees began to leave their hotels for the convention center. Over roughly two and a half hours, the group distributed more than 500 leaflets, largely to legislators themselves, but also to press. Quite a few stopped to comment on how they had already heard something about it.

Typically, a legislator from Louisiana said, “They’ve been discussing this with us in the meetings.” An Aug. 13 [Politico](#) article by Kevin Cirilli, “Break-up-the-big-banks fever hits the states,” also circulated widely, both in Atlanta and around the country. One fellow who grabbed the leaflet said, “Someone already e-mailed me the *Politico* article.”

The banker contingent went ballistic. One of the anti-Glass-Steagall controllers of the CFI committee, a

2. Glass-Steagall, a Hamiltonian credit system, and NAWAPA XXI.

3. See the interview with LaMar Lemmons, “Detroit Does Not Need a Financial Dictatorship; It Needs Glass-Steagall,” *EIR*, July 26, 2013.

prominent state senator, looked very unhappy when he saw the leaflet and heard the organizer say “The fight over Glass-Steagall is just starting”: “It’s *over*, it’s *over*,” he growled. At another hotel, a big bruiser of a man, not wearing a legislator’s badge, grabbed the leaflet and started to mouth off at an organizer. When the organizer asked who he was, he said, “I’m Wells Fargo.” When the petite organizer followed him across street to inform him his crimes will not go unpunished, he wheeled around and bellowed, “Why do you *hate* me?” The organizers just laughed.

Within five minutes, hotel management swarmed out, followed by a policeman, claiming that NCSL staff had demanded that the distribution be shut down.

When the organizers pointed out that they were on a public sidewalk, something the policeman thought was relevant, the management huffed that the organizers couldn’t target only the NCSL attendees. One organizer dutifully gave the next leaflet to a homeless person who happened to be nearby, and then went on with the distribution.

On the other side, legislators who were eager to restore Glass-Steagall—some who had been in contact with LaRouchePAC before the conference, others, on the spot in Atlanta—reacted with a healthy shock. The hooliganism of the bankers ignited a tremendous sense of fight. For many, it was the first time that they truly understood what LaRouchePAC organizers had been telling them for months; that Glass Steagall’s reinstatement really was an existential question, for their states, for the nation, and, from the other side, for Wall Street itself.

### **A Nightmare for Wall Street**

A core grouping of these fired-up legislators coalesced during the day Wednesday, and pored over the procedural manuals. The group realized they could put a Glass-Steagall resolution on the floor of the Plenary session as an amendment to some other resolution, as long as it was relevant. A resolution on deficit-reduction programs and their effects on the states was entirely appropriate. What happened on Thursday morning in the Plenary was the stuff of nightmares for the Wall Street bankers and their sycophants in the convention.

They thought they had snuffed out the insurgency on Tuesday. Their top people now knew an amendment was coming, but thought they could use parliamentary tricks to quickly sweep it off the agenda as “not ger-

mane.” They lined up a seasoned hack, Rep. Delores Kelley of Maryland, for the job.

Events moved out of their control, however, starting with the impact of the amendment being flashed on the huge twin screens on either side of the rostrum (see below for report on the Plenary session). It was a moment like “Mene, Mene, Tekel, Upharsin” at Belshazzar’s feast. The 500 people in the room (about 300 of whom were legislators) were instantly on the edge of their seats; a loud buzz of discussion continued throughout the meeting.

Thanks to diligent planning, and an early morning meeting where the likely tactics of Glass-Steagall opponents were anticipated, the group of pro-Glass-Steagall legislators adroitly jumped on each of about five key moments in the crackling parliamentary maneuvering which followed, first, to introduce the amendment, and then (when its adversaries, as expected, claimed it was “not germane” and the chair sustained it), to raise the cry, “I appeal the ruling of the chair”; then to carry the debate into substantive back-and-forth. They then insisted on a roll-call vote, and made sure the necessary five states ratified the call for a vote. All this time, the text of the amendment was projected on the huge screens.

In the subsequent vote, fully one-third of the delegations (each state had one vote, determined after consultation among its members) either backed the legitimacy of the amendment (a proxy for endorsing the amendment), or abstained, indicating that the delegation was evenly split. In addition, there were many other supporters, who were minority voices in the other state delegations. The overall contour of the result showed that even a Wall Street campaign of heavy-handed thuggery which included varying degrees of blackmail and extortion, while it may have been sufficient to “persuade” some less committed (or more cowardly) legislators to back off, was not sufficient to silence the very visible, and very significant support.

The fight also caught the attention of a large number of international delegations of legislators attending the summit, including those from Australia, South Africa, Nigeria, Kenya, Portugal, and Germany. The LaRouche movement’s fight for Glass-Steagall at the convention, made a deep impression on them.

No one of any conscience leaving the convention will remember very much of it, other than the explosion of the Glass-Steagall fight.

*Stuart Rosenblatt contributed to this article.*