

Enact H.R. 1489 To Revive Glass-Steagall

Aug. 15—State leaders of the National Farmers Union, which is on record supporting the reinstatement of Glass-Steagall, and other farm leaders are calling on Congress to enact H.R. 1489, “The Return to Prudent Banking Act.”

On Aug. 2, the president of the California Farmers Union, Joaquin Contente, issued a support letter jointly with Joe Augusto, president of the California Dairy Campaign, to Rep. Marcy Kaptur (D-Ohio), applauding her initiative to introduce H.R. 1489, which now has over 33 co-sponsors.

James Benham, president of the Indiana Farmers Union, sent the following letter to three Indiana Congressmen on July 28, urging them to co-sponsor the bill to restore Glass-Steagall, as a matter of national security, and of the nation’s food security.

Greetings. I serve as the President of the Indiana Farmers Union, and farm in Ripley County.

I am writing to you because of the urgent need for a policy shift nationally away from the multi-trillion-dollar financial bailouts and speculation, and a return to sound credit-banking through re-instating the Glass-Steagall law. It never should have been repealed in 1999; and last year’s Dodd-Frank bill is a tragic joke.

House Bill H.R. 1489, the Return to Prudent Banking Act 2011, will re-instate Glass-Steagall and open the way for the credits and economic rebuilding we need for our farms, factories and communities, especially with the extreme weather disasters now upon us. H.R. 1489 will eliminate the trillions of dollars flowing in the federal bailout of investment banking, the single greatest cut needed in government spending. And that financial bailout is fueling the fire of the commodity speculation in Chicago.

I urge you to co-sponsor this bill this session, and enlist your colleagues to do so. This is a matter of national security, and not a party label or party line affair. The bill



*Indiana Farmers Union President
James Benham*

so far has both Republican and Democratic sponsorship, and we want action on it urgently, not over time.

The Indiana Farmers Union was formed over 50 years ago, and is a chapter of the National Farmers Union, formed in 1902, and now represents 31 states. During the policy fight in Washington, D.C. last year, our national office issued the statement that, the “NFU has long opposed efforts to deregulate financial markets, including the repeal of the Glass-Steagall Act in 2000. Rolling back regulations which had maintained our economy removed protections from financial institutions that posed a systemic risk to our economy, allowing the crash of 2008 to happen” (May 17, 2010).

At our last two annual NFU conventions, we ratified support for restoring the Glass-Steagall principle in banking. The following excerpt is from our “Policy of the National Farmers Union, Enacted by Delegates to the 109th Annual Convention, March 13-15, 2011,” p. 78:

“ARTICLE VIII—Economic Regulation and the Family Farm. . .

“Section C. Bank Regulation

“From the beginnings of this country, public policy has favored a decentralized banking system, avoiding the abuses that would come from a highly concentrated financial structure. We are concerned about recent trends in bank regulation that have accelerated the loss of independent community banks and decreased the banks desire to service agricultural credit needs. It has also reduced community reinvestment. We call for passage of a banking reform bill which mirrors the Glass-Steagall Act. With gross sales transactions in agriculture having increased over the past number of years, we urge consideration of permanently increasing the individual Federal Deposit Insurance Corporation (FDIC) coverage from \$100,000 to \$250,000. We support making all financial institutions aware that Too Big to Fail will not be tolerated in the future.”

Our special concern now for the nation, not just for us as a farm and rural constituency, is that our food supply is now in peril because of out-of-control financial deregulation and speculation.

In April, H.R. 1489 was introduced by Rep. Marcy Kaptur of Ohio. We want it passed now. Please communicate your intentions on this to me as soon as possible.

Sincerely,

Jim Benham President, Indiana Farmers Union