

Momentum for Glass-Steagall Explodes on the State Level

by Nancy Spannaus

March 2—On Feb. 28, South Dakota became the first U.S. state to pass a resolution, in both houses of the legislature, urging Congress to reinstate the Glass-Steagall law of 1933, which enforced the separation of commercial from speculative banking. By the end of the next day, March 1, resolutions demanding that Congress restore FDR's Glass-Steagall Act had been introduced into ten state legislatures, one-fifth of all the states in the Union, in what is emerging as a national steamroller in favor of immediate action to free the United States, and implicitly, the world, from the bailout system.

While the Obama Administration, acting especially through Senate Majority Leader Harry Reid (D-Nev.), and Wall Street, are exerting excruciating pressure on Congress to try to prevent passage of both Rep. Marcy Kaptur's H.R. 129, which would restore Glass-Steagall, and the introduction of a companion bill in the Senate, the Administration is being outflanked by LaRouchePAC's campaign in the states. Confronted with the impossible economic conditions created by the speculative economy, and an insistent constituency led by LaRouchePAC, leaders on the state level, both Republicans and Democrats, are grabbing for a solution, and are determined to exert whatever pressure is necessary to get Congress to act.

Just this last week, resolutions to restore Glass-Steagall were introduced in Alabama and Washington State, which brought the total to ten. These states thus join Maryland, Pennsylvania, Rhode Island, Kentucky, and West Virginia—where resolutions are pending—as well as Virginia and Montana, where they had been introduced and

tabled. Action in a number of other states is imminent.

Meanwhile, the pace of sign-ups on H.R. 129 has begun to increase as well, with more than ten additional Congressmen signing up this week. The total is now 28 co-sponsors (including three Republicans) plus Kaptur.

South Dakota Takes the Lead

By a vote of 67 to 2, on Feb. 28, the South Dakota House of Representatives joined the State Senate, and passed a resolution calling on Congress to reinstate Glass-Steagall. The implementation section of Senate Concurrent Resolution 6 reads as follows:

NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Eighty-Eighth Legislature of the State of South Dakota, the House of Representatives concurring therein, that the Congress of the United States is urged to enact legislation that would reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall Act (Banking Act of 1933). That Act prohibited commercial banks and bank holding companies from investing in stocks, underwriting securities, or investing in or acting as guarantors to derivative transactions, in order to prevent American taxpayers from being called upon to fund hundreds of billions of dollars to bail out financial institutions.

The resolution, as passed, will be delivered to the



LPAC/Matthew Ogden

Members of Congress were confronted by a large LaRouchePAC banner Feb. 28: "Sequester Wall Street, Pass Glass-Steagall." A team of organizers visited Congressional offices, and distributed 500 copies of LPAC's recently released "Bill To Restore the Original Bank of the United States."

South Dakota delegation in Congress. U.S. Rep. Kristi Noem (R), and U.S. Senators John Thune (R) and Tim Johnson (D), who is the chairman of the Senate Banking Committee.

State Rep. Patty Miller, the leading co-sponsor of SCR6 in the House, gave a passionate speech, motivating passage of the bill. There were no rebuttals, and the vote represented a virtual acclamation (see box).

The Movement Spreads

The broad level of support from members of both parties, reflected in the sponsorship and passage of the bill in South Dakota, is being replicated in numerous other states.

Take West Virginia. On Feb. 27, House Resolution 15, "Expressing support of the House of Delegates urging Congress to enact H.R. 129, the 'Return to Prudent Banking Act of 2012,'" was officially put on the docket in the West Virginia lower house. Democrat Mike Manypenny is chief sponsor, with 31 co-sponsors (out of 100 members), comprising 26 Dems and 5 Republicans.

The resolution has been referred to the Rules Committee. While only one co-sponsor is on Rules, he has significant influence as the head of the Finance Committee. LaRouchePAC organizers are now working on a parallel resolution in the Senate.

Then there's Alabama. Rep. Tom Jackson, a Democrat, introduced H.J.R. 121 on Feb. 28, with 18 co-sponsors, two of them Republicans. The resolution urges "Congress to support efforts to reinstate the separation of commercial and investment functions in effect under the Glass-Steagall Act."

On March 1, Washington Senate Joint Resolution 8009 was introduced by Democratic Senators Bob Hasegawa and Maralyn Chase, asking that "Congress enact legislation that would reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall act." The resolution has been

referred to the Committee on Financial Institutions, Housing & Insurance.

Moving on Congress

It is no secret that LaRouchePAC has been the driving force behind this national movement to reinstate Glass-Steagall, the step Lyndon LaRouche has identified as the first of three necessary measures to save the nation (the others being restoring the credit system, and NAWAPA).¹ While other forces, especially leading banking spokesmen such as FDIC vice-chair Thomas Hoenig, have been carrying out their own organizing drives, LaRouchePAC has been coordinating a nationwide effort, which includes bringing letters from, and delegations of, constituents into Washington, D.C., to increase the pressure for immediate action on Glass-Steagall and the whole program.

On Feb. 28, Congress was confronted by a lobbying effort, with the banner "Sequester Wall Street, Pass Glass-Steagall," 500 copies of LaRouchePAC's recently released "Bill To Restore the Original Bank of the United States" (see p. 4), and a delegation of a dozen citizens, including LaRouchePAC organizers, from

1. See www.larouchepac.com for more on Glass-Steagall, a credit system, and NAWAPA.

Pennsylvania. The organizers fanned out across the Capitol to confront and educate their representatives, visiting the offices of 11 Congressmen and 2 Senators.

In some cases, the meetings had immediate results. The next morning, one of the Congressmen whose office they visited added his name to HR 129. Three of his constituents had been in the delegation, and had hand-delivered a letter to him from a retired Pennsylvania state rep, urging him to sign on.

The delegation targeted their own representatives, as well as those from the districts of co-sponsors of HR 73, the Pennsylvania Glass-Steagall resolution. While there were only three scheduled meetings, the delegation also dropped in on a number legislative offices.

Most of the meetings were with Congressional aides, some of whom were rude and arrogant. But the citizens were not deterred in the slightest. They countered the standard line about how we don't need Glass-Steagall because Dodd-Frank and the Volcker Rule are adequate, or that Glass-Steagall won't stop quantitative easing, and other nonsense. Members of the delegation spoke up about the reality of mass unemployment, the lack of American manufacturing, the increasing poverty rate, and the murderous insanity of American taxpayers being fleeced to bail out the derivatives bubble.

Far from being discouraged, these Pennsylvania activists were determined to do more. And their efforts are being replicated nationwide.

Rep. Patty Miller: Vote for a Future

"I am very happy that a majority of legislators have co-sponsored SCR6. This is truly a bipartisan effort, with Republicans and Democrats co-sponsoring in large numbers. The professions of the co-sponsors mirror those of our South Dakota citizens. SCR6 has been signed by farmers, ranchers, Native American leaders, teachers, engineers, bankers, pastors, lawyers, small business owners, and health professionals. Also, there are co-sponsors in nearly every district, spread all across the state.

"SCR6 states that a return to the Glass-Steagall Act, which protected our nation for 66 years, would, and I quote, 'prevent American taxpayers from being called upon to fund hundreds of billions of dollars to bail out financial institutions.' I believe that every one of our constituents would agree that their tax money should not be used to bail out the gambling debts of speculators.

"SCR6 urges Congress to vote for the reinstatement of Glass-Steagall. 'The Return to Prudent Banking Act of 2013,' HR129, has been filed in the U.S. Congress by Marcy Kaptur (D-Oh.) and Walter Jones (R-N.C.), with a growing list of co-sponsors. The original Glass-Steagall bill was, of course, passed in 1933, after the stock market crash of 1929 had plunged the nation into the Great Depression.

"Our own Peter Norbeck, born in Redfield, S.D., who served in this State Senate, then as South Dako-

ta's Governor, and finally in the U.S. Senate, was one of the most important people in getting Glass-Steagall drafted and passed. He was the Chairman of the Senate Banking and Currency Committee and got two resolutions passed in 1932, and an even tougher one in 1933, authorizing his Committee to investigate speculative banking practices. He hired Ferdinand Pecora, who had been a district attorney, to lead the investigation. A March 9, 1933 editorial in the *Plankinton S.D. Mail* reads: 'The Senate Banking Committee headed by Peter Norbeck, is doing some fine work digging into the Wall Street robbers called bankers.'

"As we vote today, we already face a blowout of the economy more terrible than that which confronted Peter Norbeck in the 1930s. Federal Reserve Chairman Ben Bernanke, as *Forbes Magazine* wrote in January, 'is on a buying spree . . . snapping up \$40 billion a month of mortgage backed securities (MBS).' The collapse of the economy in 2007-2008 started, as everyone knows now, with that MBS market, and since Glass-Steagall had been repealed in 1999, the MBS bankers' gambling debts were bailed out by we, the American taxpayers. Now, with thousands of foreclosed homes back on the market, Bernanke, who is on his way out of office, is planning the same trick again. Dallas Federal Reserve Chairman Richard Fisher said about this, 'Don't sit on the same hot stove twice.'

"I hope you will vote yes for SCR6 today, urging Congress to support and pass the reinstatement of Glass-Steagall (HR129), and help secure your own fiscal health, and a future for our children and grandchildren."