

The Coming Interim Presidency Under Glass-Steagall: The Name of The Future Is Alexander Hamilton

by Robert Ingraham

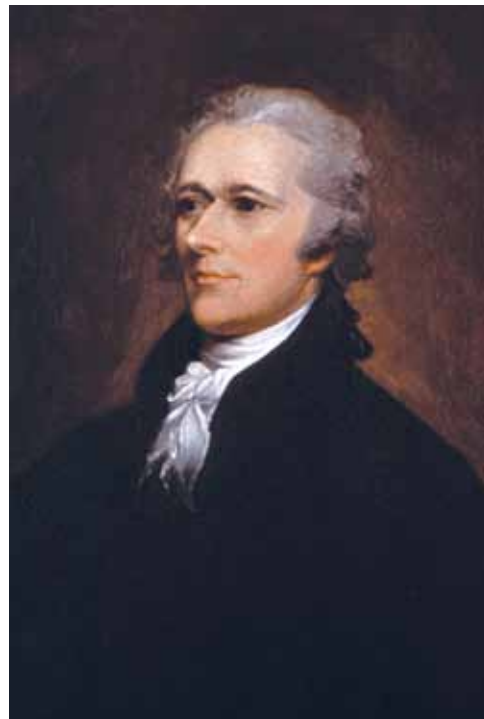
Adapted from a report given by the author in Manhattan June 6, 2015.

July 12—The anticipated re-enactment of Glass-Steagall legislation in the United States will be the single indispensable action needed to shatter the power of the financial speculators of London and Wall Street, those same speculators who have been leading the United States and the world to ruin. No other transformative act can save the trans-Atlantic economic system, while simultaneously engendering a shift in policy toward a BRICS-like approach to global physical economic development. The July 7 introduction of Senate Bill S. 1709 has now placed that early re-establishment of Glass-Steagall at center stage of the political fight in the United States.

At the same time, the re-enactment of Glass-Steagall will mean an end to the catastrophe of the Obama Presidency and the subsequent emergence of an “interim Presidency” with new policy axioms, which, over the next 16 months, can un-

leash the rapid rebuilding of the American economy together with a transformation of American foreign policy, oriented toward mutually-beneficial cooperation with the BRICS nations. As Lyndon LaRouche declared in a July 10th statement, this will mean a “New Era for Mankind.”

The revival of Glass-Steagall is the single most urgent priority facing America. If we act on it now, the world will change, and a pathway out of our current



Alexander Hamilton (right) and Gouverneur Morris (left) were both members of the Constitutional Committee on Style, which put the U.S. Constitution in final form and added the Preamble. Hamilton's portrait was done by John Trumbull in 1806.

crisis will appear. There is no need to panic over the danger of a “financial crash;” Glass-Steagall is the solution.

A successful political battle to re-establish the Glass-Steagall Principle will have a second profoundly important consequence. The adoption of Glass-Steagall will be a revolution against Wall Street, and, thus, a seismic rejection of the axioms of the Obama Presidency. It will signal the end of the Obama Presidency, however that might play out. A new leadership anchored to a Glass-Steagall economic policy outlook will open the door for a revival and re-creation of an actual Constitutional Presidency within the United States.

Alexander Hamilton’s economic genius can not be separated from his creation and vision of the American Presidency as the means whereby the future survival, prosperity, and development of the republic might be secured. Glass-Steagall will be an axiomatic revolution in the economic policy axioms of the nation, and its successful implementation will place the issue of the necessary Presidential leadership front-and-center for every American.

The Presidential Principle

Most Americans—let alone foreign observers—have little if any comprehension of what the American Presidency is. Some might define the Presidency as one of “three branches” of our government, with “checks and balances” as they were taught in high school. Others might view the President as a leader, a powerful individual man (or woman), a view which leads to the present day sports-like obsession with Presidential “candidates.” A few, very mistaken individuals might equate the office of American President with that of the British Prime Minister or German Chancellor, both of the latter being merely spokesmen for “party-led” or “legislative-led” governments.

A somewhat more sophisticated observer might speak of the “extended-Presidency,” i.e. an executive-led leadership which encompasses a broad array of contributing individuals within the nation. That observation gets closer to the truth, but is still not adequate. The problem with all of these descriptions is that they focus on the outer “form” of the Presidential office rather than the content—the purpose—of what the Presidency was designed to be. In truth, the American Presidency is a Principle, a human discovery, a Principle created by Alexander Hamilton, embedded into our Constitution in

1787, and then woven into the very fabric of our nation during the eight-year Presidency of George Washington.

At the Philadelphia Constitutional Convention, in the summer of 1787, Alexander Hamilton, together with his friend and ally Gouverneur Morris, were directly and personally responsible for two great accomplishments. First was the creation of a strong Presidency in the new Constitution; second was the authorship and addition of a Preamble to that same Constitution. There is no possible way to truly grasp the intent behind their creation of the Presidency without putting it in the context of the Constitution’s Preamble. That Preamble was neither an “add-on” nor an “introduction” to the Constitution. Beginning with the words “We the People of the United States...,” Gouverneur Morris (the Preamble’s author) defined both the philosophical outlook and the purpose the new Republic, including the sacred mission to “promote the General Welfare” and to “Secure the Blessings of Liberty for ourselves and our Posterity.”

The Preamble demolishes any claim that the American Constitution was some sort of Lockean “social contract,” i.e., an agreement among otherwise self-seeking individuals to find a means whereby they could simple co-exist together, free to carry out their individual self-interests. Rather, the Preamble defines the new Nation as a future-oriented Republic, with a sacred mission towards its citizens, the nation and future generations. The Preamble defines both the philosophy and the mission of the new Nation.

For Hamilton and Morris, the Presidency was the key to this mission. They fought harder on the question of the Presidency than on any other issue at the Convention. In a very real sense the American President is not a “person,” per se. The Presidency is intended to embody the Principle embodied in the Constitution’s Preamble, to promulgate the Spirit of that Preamble. The Presidency was intended to personify the sacred trust announced in the Preamble and to hold the nation on a path to fulfill its future potential. Thus, the Presidency would lead the Nation.

The Creation of the Presidency

At the Philadelphia Constitutional Convention in 1787 it was the intention of the Virginia delegation¹ to

1. Virginia, at that time, being the most populous and politically powerful state. Virginia also contained 50 percent of all the slaves in the United States.

craft a government in which the National Executive would be a mere figurehead, a de-facto puppet of the individual states' interests. The first plan presented at that convention—the Virginia Plan, written by James Madison and presented on May 29, 1787—would have established an Executive Office far weaker than the British position of Prime Minister. Under the Madison proposal the President would be elected by the members of Congress. That Congress, in turn, would function as a mere vehicle for the state governments. United States Senators would be selected by the legislatures of the individual states, and subject to recall if they failed to represent the interests of their states. Members of the House of Representatives would be elected by the people but only from a pre-selected list of candidates who had been nominated by the same state legislatures. Those state-controlled Senators and Representatives would then select the President from among their own ranks.

Under Madison's Virginia Plan an individual President would be limited to one term, would be subject to impeachment, and would be denied any authority over the armed forces of the United States. All military affairs were to be placed under the control of Congress, and the actual day-to-day functions of the President were largely ceremonial. Under Madison's Plan, the Executive would exist solely to ensure that the will of the legislature was carried out.

On June 13th, a second plan, the New Jersey Plan, was presented to the Convention. If anything, it was worse than the Madison proposal. In the New Jersey Plan a unicameral Congress was to be elected by the individual state legislatures. That Congress would then select the President (again, for only one term) from among themselves, and the President would be subject to removal from office, either by impeachment by the



The plan for the Constitution drafted by James Madison (above), often touted as the “father” of that document, would have created a Presidency weaker in powers than the British Prime Minister.

Congress or by “recall,” if a majority of the nation's state governors demanded it. Once more, all control over military affairs was placed in Congress, and the President was to be a puppet of those Congressional (actually, state) interests. The New Jersey Plan essentially created an impotent Federal government entirely controlled by the individual states, with the Office of President mere window-dressing.

Other plans, including the Pinckney Plan and the Connecticut Plan, were also presented to the Convention. All of these various “plans” would have established a toothless figurehead President, elected by, and removable by, the Congress and/or the state governments.

On June 18th George Washington suspended all ongoing business at the convention and turned over the entire day's agenda to Alexander Hamilton. Hamilton spoke for six hours. It is that speech by Hamilton—a speech almost universally derided by historians—which gave birth to the American Presidency. Speaking against the views of a majority of the delegates, Hamilton proposed a Presidency-led National government. Hamilton envisioned a shattering of the power of the individual states and a national Presidency placed unequivocally in the leadership of the nation, including the use of such Presidential authority to determine the future directionality of all foreign and economic policy.

Many of Hamilton's specific proposals—the role of the Executive as the Commander-in-Chief of the armed forces, the power to make treaties and pardon crimes, and the establishment of a popularly elected Electoral College to remove any role of either the state governments or the Congress in selecting the President—eventually made their way into the final Constitution. Several of his other proposals, including a lifetime term for Presidents, the right of an absolute veto, and the appointment of all state governors by the National gov-

ernment, were not adopted. But, putting to one side the various specific details of Hamilton's Plan, it must be recognized that the June 18th speech by Hamilton revolutionized the proceedings of the Convention, placing the nationalists in the ascendancy, and demolishing the idea of either a legislative-led or state-controlled national government.

Gouverneur Morris, practically alone, fought for the direct popular election of the President and against the inclusion of an intermediary Electoral College. In his view this was vital for establishing a "sacred trust" between the President and the People. Morris predicted that in the new government it would become inevitable that Senators and Representatives would tend to serve sectional, state, and even moneyed interests, and it was only in the Presidency that the unified mission of the Nation would have voice. It was the President, and only the President, who would represent the Nation as a whole, and it was the President who would be charged with defending the population and directing the affairs of the Nation toward a better and more fruitful future.

To secure the ability to carry out that mission. Hamilton and Morris fought for the inclusion of broad Presidential powers. Expanding on the powers enumerated by Hamilton in his June 18th speech, Morris, in late July, overturned the previously agreed-upon statute which would have limited the President to one term, thus allowing the re-election of the President without term limits. More importantly, in the final days of the convention, it was the Hamilton-led Committee on Style which changed the wording—and the intent—of what are known as the "Vesting Clauses" in both Article I and Article II, drastically altering the relationship between Congress and the President. In the new wording Congress was limited to "all legislative powers herein granted," i.e., only to those powers specifically enumerated, while the non-specific "Executive Power shall be vested in a President of the United States," established the Principle of the "Implied Powers" of the Presidency.

The Spirit Becomes Flesh

The 1789-1797 administration of George Washington established the model for the functioning of the American Presidency. With Hamilton at his side, and ably supported by Gouverneur Morris, John Jay, and other New Yorkers, Washington demonstrated the

power of a President-led government in directing the affairs of the Nation in coherence with the responsibilities defined by the intent of the Constitution's Preamble.

The most striking intervention of the Washington administration was the adoption of the economic philosophy and policies of Treasury Secretary Hamilton. With the drafting of Hamilton's Four Reports, together with the creation of a National Bank and a system of Public Credit, Washington and Hamilton demonstrated that the role of the Presidency, the economic policy of the Nation, and the intent of the Constitution's Preamble were all cut from the same cloth.

During his eight years in office, Washington established a model of Presidential leadership. This included not only the executive "branch," *per se*, but also the appointment of Washington's ally John Jay as Chief Justice of the Supreme Court, the crucial role of both New York Senators, Philip Schuyler and Rufus King, in securing the passage of much of the Washington Administration-authored program through the Congress, particularly their role in the battle for passage of the National Bank legislation. The Washington administration also relied on collaboration with key state government officials, such as Stephen Van Rensselaer of New York and John Marshall of Virginia, and the deployment of a broader array of military and scientific figures. Thus was born the functioning of an "Extended Presidency," which emanated from the Presidential leadership.

Alexander Hamilton's Constitutional economic program, Gouverneur Morris' activities in Europe, other key diplomatic initiatives, the anti-slavery Northwest Ordinance of 1789, and the establishment of the national Judiciary all flowed from the Washington Presidency. Perhaps even more important was the moral and strategic leadership which began with Washington's First Inaugural Address, continued through his annual State of the Union Addresses, his first Declaration of National Thanksgiving and culminated in his 1797 Farewell Address. A current-day re-reading of those utterances paints a vivid portrait of the Presidency as Hamilton and Morris had designed it in 1787.

The Presidency and Glass-Steagall

It is a mistake to think about "the Presidency" and economic programs, such as Glass-Steagall, as separate topics. In the republic crafted by Hamilton, Wash-



Library of Congress

George Washington delivering his inaugural address April 1789 at Federal Hall, New York, as depicted by T.H. Matteson, and engraved on steel by H.S. Sadd.

ington, and their allies between 1787 and 1797, a Constitutional Presidency and economic policies which are both vital to the nation as well as coherent with the creative nature of the human species, are inseparable. Nevertheless, for Hamilton and Morris a Constitutional Presidency was an absolute pre-condition for the future development of the Nation. The Presidency was the key.

For example, Hamilton's National Bank was a profound discovery that made possible the future development of the new Republic. Yet, after Washington left office, that bank never really functioned as an engine for transformative public credit in the manner for which it had been created, except for the brief 1825-1829 years of the Quincy Adams Presidency. Abraham Lincoln and Franklin Roosevelt both accomplished powerful economic revolutions during their administrations, and both did it without a national bank, while the slave-owners Jefferson, Madison, and Monroe all had the benefit of an existing National Bank, but they refused to use its potential powers for the benefit of the Nation. With Lincoln and Roosevelt there existed a functioning Presidency imbued with the mission of the Republic. That is what made the difference.

Neither Hamilton's "Economic Principle," nor the "American Presidency" are "things." They are designed to complement each other and to function as one singular transformative action, with the intention of improving upon the future of the nation and the world. As Hamilton emphasized in his *Report on Manufactures*, the engine for such improvements lies in the rapid scientific, technological, and industrial development of the physical economy. Such an approach will accelerate advances in the productivity, skill levels, and cognitive abilities of the citizenry. Such an approach

is also fully coherent with both the current pro-development outlook of the BRICS nations, as well as with the actual creative nature of our species within the galaxy.

A revolutionary re-establishment of Glass-Steagall today will necessitate not simply a change in leadership in the United States, but a change in the species-nature of that leadership. This will have to happen. Neither an Obama nor a Bush is capable of implementing a Glass-Steagall policy. As the failed axioms of speculation and austerity are swept into the dustbin, a revival of a true Constitutional Presidency will begin to emerge. All great changes, all great accomplishments, in American history are associated with a re-awakening, a re-emergence of the American Presidential System.

The American Presidency is both an Idea and an institution which embodies that Idea, which personifies that Idea. As seen in the cases of Washington, Lincoln, and Roosevelt, that executive leadership can stretch out to encompass a broad array of individuals and allies—an "extended Presidency." In a certain sense, that Presidential Idea is embodied in the very notion of an American Citizen.