

Glass-Steagall Put Back on the Agenda

by Harley Schlanger

June 10—LaRouche Democrat Kesha Rogers' victory in the Democratic primary for Congress in Texas, and Diane Sare's campaign in New Jersey, combined with the multi-billion-dollar derivatives loss by JPMorgan Chase, and the collapse of the banks of the Eurozone, have put the issue of restoring Glass-Steagall banking regulations back on the front burner for the U.S. Congress. In the last two weeks, at least seven additional Congressional co-sponsors have been added to Rep. Marcy Kaptur's H.R. 1489, bringing the total to 69.

The LaRouche Slate has made the return of Glass-Steagall the entryway to its three-point plan for an abrupt reversal of the continuing downward crash of the U.S. economy, along with a return to a Hamiltonian credit policy, through creating a National Bank, and the North American Water and Power Alliance (NAWAPA), the largest infrastructure program ever considered. The lies of the Obama Administration, that the U.S. economy is doing well, were exposed again in the last week, as a disastrous report on job creation, and another downturn in home sales, demonstrated that there has never been a recovery in the U.S.

Rogers, Sare, and the other three slate members (Rachel Brown in Massachusetts, Bill Roberts in Michigan, and Dave Christie in Washington) have made the immediate implementation of Glass-Steagall the number one issue in the nation. Sare's Democratic opponents, who were defenders of President Obama—a staunch opponent of restoring Glass-Steagall—were left stammering, with nothing to say, when the JPMorgan Chase losses showed that Obama's Dodd-Frank law had done nothing to stop highly risky speculative activity, which is threatening to blow out the whole trans-Atlantic banking system. One of her opponents, who eventually won the primary, refused to even discuss Glass-Steagall during a debate, dismissing it as “a LaRouche issue.”

In a sense, he was right: This *is* a LaRouche issue, as Lyndon LaRouche has insisted that the return of Glass-Steagall is the only way to end the bailouts of bankrupt banks, and clean the toxic debt off their balance sheets, so a real credit-based, production-driven recovery can occur. Though Sare received only 10% of the vote in the three-way primary on June 5, she won widespread support for Glass-Steagall in the district, as well as the support of a national campaign by former supporters of Hillary Clinton, who are calling for Obama's removal, and have made Glass-Steagall one of their leading issues.

This “LaRouche issue” was also a central focus of Democratic Party state conventions over the last two weeks, as Democrats meeting in Massachusetts, Virginia, Washington State, Texas, and West Virginia were overwhelmingly in favor of a return to Glass-Steagall. More than 350 delegates in Massachusetts signed Rachel Brown's petition calling for Glass-Steagall, and the Democratic candidate for Senate, Elizabeth Warren, has made its restoration her leading concern.

In West Virginia, 111 of the 800 delegates signed a LaRouchePAC resolution for Glass-Steagall, although it was not put on the agenda. And in Washington State, the loudest applause came when Sen. Maria Cantwell announced her continuing support for Glass-Steagall. Cantwell was the Democratic co-sponsor (with Republican John McCain) of a bill to restore Glass-Steagall in 2010, which was killed directly by Obama, to keep it out of the Dodd-Frank bill.



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The strategic focus of the five Congressional candidates of the LaRouche Slate, on bringing back Glass-Steagall, is reinvigorating the political fight for the FDR-era recovery measure. Shown: Diane Sare, meeting with constituents in Teaneck, N.J., April 28, 2012.

Simmering Revolt Against Obama

The other leading development at these state conventions has been the emergence of a still-below-the-surface revolt against Obama. Instead of the conventions serving as pep rallies for the incumbent, Obama's name was rarely mentioned in Massachusetts, Virginia, and Washington.

Perhaps as a result, Obama-connected party leaders demanded a "loyalty oath" in Texas and West Virginia. This was a particularly hot issue in West Virginia, a coal state, where not only the base of the party (which went for Hillary in 2008) is hostile to Obama, but even newly elected Democratic Sen. Joe Manchin has publicly declared that he "hasn't decided" if he will give Obama his vote. A threatened demonstration against Manchin's speech at the convention did not occur, but the loyalty oath did pass.

In Texas, where LaRouche Democrat Kesha Rogers had won her second Democratic Primary in the 22nd District, making her the party's candidate in November against incumbent Republican Pete Olson, the corrupt party leadership went so far as to claim that Rogers is "not a Democrat," and passed a resolution to that effect. They unsuccessfully tried to exclude her from participating in the sparsely attended convention.

Despite the official exclusion line, Rogers did address the Veterans and Progressive caucuses, and was greeted by many delegates who expressed their verbal support—and then scurried away, so as not to be seen talking with her. They represent the kind of support for Obama which could vanish in an instant—if top policy circles move to dump him, in order to save the nation.