

# Battle for Glass-Steagall Heats Up in Washington

by Nancy Spannaus

Dec. 3—As Congress returns to Washington for what Wall Street, the Obama Administration, and the Congressional leadership intend to be an end-of-year ritual slugfest over budget cuts and debt ratings, whose only winner will be Wall Street, the real contest is picking up: that between the proponents of reviving Glass-Steagall, and the Wall Street bankers who are hysterically determined to stop the reimposition of FDR's crucial banking act.

The LaRouche Political Action Committee (LaRouchePAC) plans to greet the returning Congress with a reissuance of its Oct. 30 leaflet "Glass-Steagall or Mass Genocide," this time with the addition of the names of dozens of constituency leaders from around the country who have endorsed the statement, and are demanding that Congress act to stop the current debacle. Their message is unambiguous:

"The message coming from Washington is clear: If you are old, sick, or disabled, you are as good as dead. If you are young, you have no future. The message is coming from President Obama and from Congressional Republicans, who are fully complicit in plans to vastly reduce Social Security, Medicare, and Medicaid. So far, the vast majority of Democrats in Congress have been cowed into accepting Obama's diktats.

"The only serious fight-back is coming from those in Congress who are backing the return to Glass-Steagall. With two bills in the Senate (S 985 and S 1282) and one in the House (HR 129) with 75 co-sponsors, Glass-

Steagall could be restored now. It is no exaggeration to say that this is a life or death issue. Under Glass-Steagall, the United States can return to a Constitutionally mandated credit system, and launch an era of unprecedented economic growth and prosperity for all. Without Glass-Steagall, we are facing a mass kill."

With a Dec. 13 Congressional deadline for a budget deal, and Congress only scheduled to be in town until mid-December, LaRouchePAC intends to pull out all the stops to get action on the legislation which will uniquely serve to foreclose on Wall Street, and set the stage for a rebuilding program, to save the economy and the people.

## First Battle Scene: NCSL

As could be expected, Wall Street senses the danger, and is determined to use all the leverage at its disposal to block action on Glass-Steagall.

The first sign of the Street's mobilization known to this news service came on Nov. 29, when the Maine Bankers Association issued a letter stating its strong opposition to the proposed Resolution Concerning Regulation of Commercial and Investment Banking, which has been put before the Dec. 4-6 meeting of the Legislative Forum of the National Conference of State Legislators (NCSL), being held in Washington, D.C. The letter went to the chief sponsor, Rep. Andrea Boland, a Maine state representative.

Totally ignoring the fact that both Maine Congress-



LPAC-TV

*Growing support for Glass-Steagall across the country is giving the bankers the heebie-jeebies: The American Bankers Association has come out in its own name to campaign against it. Here, LaRouchePAC organizes in the capital in support of Glass-Steagall legislation.*

men, Michael Michaud and Chellie Pingree, and Maine Sen. Angus King, have signed on to the Congressional bills to reinstate Glass-Steagall, the president of the Maine Bankers Association regurgitated the standard White House and banking lies about how Glass-Steagall wouldn't have stopped the crash of 2007-08, and told Rep. Boland to rely on Dodd-Frank instead. As the letter said nothing to address the real concerns about restarting the U.S. economy, it was clearly meant primarily to intimidate Boland.

Boland's resolution has been co-sponsored by 18 other state legislators, from 15 different states, some of them lead sponsors of memorials for Glass-Steagall in their own legislatures. Twenty-five states in all have seen Glass-Steagall memorials introduced; they have been passed in four—South Dakota, Maine, Alabama, and Indiana.

It is quite likely that the bankers associations of other states have also launched intimidation campaigns against state representatives who have sponsored the NCSL resolution. Back in August, when a Delaware representative put forward such a memorial to the national conference, a pitched battle ensued—with banking lobbyists swarming around the convention center, and ultimately killing the resolution. The head of the American Bankers Association, non-banker Frank Keating, is on record against Glass-Steagall, and the ABA has circulated letters stating its opposition around the country, and its representatives have shown up at

hearings with outright threats that any such regulation might lead to the elimination of thousands of jobs in the relevant state.

### **In-Depth Mobilization Needed**

As the pedigrees of the dozens of individuals signing the LaRouchePAC ad demonstrate, support for reinstating Glass-Steagall runs wide and deep across the United States. Labor leaders, political activists, state legislators, medical professionals, and business leaders all are rallying around the necessity for the U.S. government to reverse course, free the nation from Wall Street, and start on measures of recovery, with massive job creation programs on projects such as the North American Water and Power Alliance (NAWAPA). Concerted action by such local leaders has proven its ability to

change policy; this was more than amply demonstrated by the popular mobilization which *reversed* President Obama's intention to bomb Syria last August. Tens of thousands of calls into Congress made sure that Congress would not approve the move—and action without Congress could well have led to impeachment.

So far, however, Washington, D.C. has turned out to be a controlled environment—controlled by Wall Street. Exemplary of the attitude is that evinced by New York's senior Sen. Chuck Schumer (D-N.Y.), who was interviewed by the *New Republic* this week, and asked about the Glass-Steagall bill introduced by the high-profile Massachusetts Sen. Elizabeth Warren (D). Schumer, who wants to profile himself as progressive, drew the line, and launched into a full-throated defense of Wall Street.

"There are some on the far left who just have a visceral hatred of Wall Street. It's counterproductive.... You don't want to go after them for the sake of going after them. The left-wing blogs want you to be completely and always anti-Wall Street. It's not the right way to be."

No, Chuck Schumer has not forgotten about Franklin Roosevelt, the author of the original Glass-Steagall. His problem is that he can't imagine an economy, and his own future, not controlled by Wall Street money. He's one of many who have to be educated—including by excruciating political pressure—to do what's necessary for the country's future: Restore Glass-Steagall now.