

# Glass-Steagall Is Back in Congress

by EIR Staff

April 23—With the world’s biggest, most speculative, and most “contagious” bank—the new UBS—now sitting on both 6th Avenue in New York and Paradeplatz in Zürich, likely waiting to blow up, legislation to bring back the Glass-Steagall Act and break up just such monster banks has been introduced just in time into the U.S. House of Representatives. Every advance of the legislation in the House and the Senate will have impacts in European and leading developing nations all over the world.

Rep. Marcy Kaptur (D-OH) with seven co-sponsors filed the Return to Prudent Banking Act on April 19. It reinstates those sections of FDR’s Glass-Steagall Act of 1933 which were ignored and finally repealed during the 1990s, leading to the 2007-08 financial crash and “Great Recession.” It will prohibit



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*The U.S. Capitol, seat of the national legislature, Washington, D.C.*

commercial bank units which take deposits and make loans, from dealing in securities, swaps, etc., or lending to financial firms which deal in them. The dangerous zig-zag policy of the Federal Reserve, with 15 years’ zero interest rates suddenly followed by rapid hikes up to 5%, has put banks’ securities holdings in danger of big losses and has already caused three U.S. banks to fail in March, along with Switzerland’s Credit Suisse Bank, which got absorbed into UBS.

The Schiller Institute immediately supported the legislation and urged citizens in every Congressional district

in the United States to make themselves fighters for it. Several Members of the Senate of both parties have publicly discussed Glass-Steagall in recent weeks.

Representative Kaptur’s Press Release follows.

## Kaptur Reintroduces Return to Prudent Banking Act To Reinstate Key Provisions of the 1933 Glass-Steagall Act

April 19, 2023

Today Congresswoman Marcy Kaptur (OH-09) released the following [statement](#) after she reintroduced the Return to Prudent Banking Act. The Return to Prudent Banking Act of 2023 would reinstate essential provisions of the Glass-Steagall Act (the Banking Act of 1933), which had provided an unprecedented half-century of economic stability. In 1999, Congress repealed the Glass-Steagall Act. The legislation would reinstate major protections that were part of the Glass-Steagall Act and restore

*the separation of commercial and investment banking.*

The legislation has been endorsed by the Schiller Institute and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).

“The 2008 financial crash nearly took down our entire economy and led to the great recession, wiping out the income and savings for many Americans. The recent collapse of Silicon Valley Bank in California and Signature Bank in New York

echoes the 2008 collapse with speculators squeezing through every regulatory keyhole to find an avenue to game the system,” said Congresswoman Marcy Kaptur.

“In 2023, here we are again, watching bank runs, failures, and massive buyouts. Wall Street has proven that it cannot control itself, and it is only a matter of time before it steers America into the next financial crisis. It cannot be any clearer that the time for systemic reform is now, which is why I am introducing the Return to Prudent Banking Act to do just that.”

**The Return to Prudent Banking Act does the following:**

- Restores the Banking Act of 1933 (Glass-Steagall Act) to reinstate prohibition against the transaction of banking activities by securities firms.

- Amends the Federal Deposit Insurance Act (FDIA) to prohibit a financial institution from being affiliated with any entity engaged in offering financial services such as stock or bond sales.

- Prohibits officers, directors, and employees of securities firms from serving on the boards of depository institutions.

- Requires rigorous oversight and reporting to guarantee that no bank or financial institution is involved in risky investment or securities activity.

**Original Cosponsors:**

Representatives Eleanor Holmes Norton (DC-00), Chellie Pingree (ME-01), Rashida Tlaib (MI-13), Ilhan Omar (MN-05), Bonnie Watson Coleman (NJ-12), Susan Wild (PA-07), and Mark Pocan (WI-02).

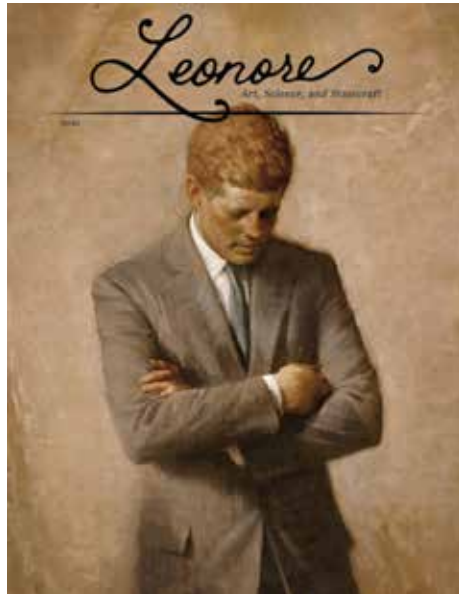
The full bill text for the *Return to Prudent Banking Act* can be found [here](#).

**The Schiller Institute**

has just released Volume 2, No. 1, of its new journal *Leonore*, which opens with the following from Lyndon H. LaRouche, Jr.’s October 20, 2002, article, “The Historical Individual.”

“The principal cause for the doom of any culture, is that mental disorder typical of popular opinion, which is to assume the validity of any assumptions currently adopted by a learned profession, or religious teaching, or more crudely adopted as ‘generally accepted popular opinion.’”

The 88-page issue, contains eleven articles, including the first English translation of one of the last letters by the 15th century scientific and political genius, Cardinal Nicholas of Cusa, which has been called his “religious last will,” and an original translation of Friedrich Schiller’s “On the Sublime,” described as “perhaps his most refined discussion of the process of the development of the soul.”



**Preview** the issue [here](#) and see the full table of contents.

The preview includes the ground-breaking article by Jason Ross, “Vernadskian Time: Time for Humanity,” which addresses “the paradoxes posed by Vernadsky’s scientific work,” which open the way to a an entirely new set of definitions of space, time and matter, taken from the standpoint of the human mind.

The journal is yours as a monthly Schiller Institute contributing member. Memberships start at \$5/ month. Sign up [here](#).