

Support Grows for Glass-Steagall, At Home and Abroad

by Nancy Spannaus

Oct. 25—The clamor for the reintroduction of President Franklin Roosevelt’s Glass-Steagall law, which now is represented by Rep. Marcy Kaptur’s (D-Ohio) H.R. 1489 in the U.S. House of Representatives, has grown exponentially since the eruption of the Occupy Wall Street (OWS) movement in mid-September. As a result of the three-year-long intensive campaign by Lyndon LaRouche and his political action committee for reinstating Glass-Steagall, many of those who have gone into the streets to “protest” the depredations of Wall Street against the American population, have raised the banner of Glass-Steagall, as the principled alternative to the bailouts and looting by the international banks.

Hence, the demand for returning to the separation of commercial from investment banking, with specific reference to Glass-Steagall, figures in the list of demands of OWS demonstrators, often reaching the top, and is also included in the 99PercentDeclaration, a call for a National General Assembly on July 4, 2012, issued on Oct. 7 by the OWS movement. Demand Number 16 begins: “Immediate reenactment of the Glass-Steagall Act and increased regulation of Wall Street and the financial industry by the SEC, FINRA and the other financial regulators, and the commencement of a Justice Department criminal investigation into the Securities and Banking industries’ practices that led to the collapse of the markets, \$700 billion bail-out, and financial firm failures in 2007-2008, introduction of a small financial transaction fee to collect a tax on each and every stock trade and all other forms of financial transactions....”

Of some interest also, is the fact that a petition was posted on the White House’s new “petition” site, from an individual in Chicago, calling for reestablishing the separation between commercial and investment banks, à la Glass-Steagall, on Sept. 22. Nearly 14,000 people have signed that petition in a matter of a month.



House Committee on Education and Workforce Democrats
Rep. Marcy Kaptur’s H.R. 1489, a bill to revive Glass-Steagall, now has 49 co-sponsors; and is a leading demand of the Occupy Wall Street movement.

H.R. 1489

Thanks to the gumption of Kaptur, and her initiating co-sponsors, Republican Walter Jones (N.C.) and Democrat James Moran (Va.), however, the demand for restoring Glass-Steagall is an active legislative option in the House of Representatives. In all, there are now 49 sponsors for H.R. 1489, a short bill which would repeal Gramm-Leach-Bliley and revive the Glass-Steagall standard. The Members of Congress represent 24 states of the Union, and include many members of the Black Congressional Caucus and the Progressive Caucus, as well as a handful of Republicans.

Here is the full list:

Marcy Kaptur (D-Ohio)

James Moran (D-Va.)

Walter Jones (R-N.C.)

John Conyers (D-Mich.), former chair, current rank-



LPAC-TV

The National General Assembly of OWS issued a demand on Oct. 7 for “immediate reenactment of the Glass-Steagall Act” and a “criminal investigation” of the practices that led to the collapse of the markets in 2007-08, and the \$700 billion bailout.

ing member House Judiciary Committee; Dean, Congressional Black Caucus

Jesse Jackson Jr. (D-Ill.)

Lynn Woolsey (D-Calif.), former co-chair, Progressive Caucus

Jim McDermott (D-Wash.)

Louise McIntosh Slaughter (D-N.Y.), ranking member, House Committee on Rules

Edolphus Towns (D-N.Y.), former chair, House Oversight and Government Reform Committee

Maxine Waters (D-Calif.), former chair, Congressional Black Caucus

Marcia Fudge (D-Ohio)

Kurt Schrader (D-Ore.)

Danny Davis (D-Ill.)

Roscoe Bartlett (R-Md.)

John Garamendi (D-Calif.)

Dennis Kucinich (D-Ohio)

Peter Visclosky (D-Ind.)

Jan Shakowsky (D-Ill.)

Barbara Lee (D-Calif.), former chair, Congressional Black Caucus; former co-chair, Progressive Caucus

Mike Coffman (R-Colo.), chair, Balanced Budget Caucus

George Miller (D-Calif.), former chair, current ranking member, Education and the Workforce Committee

Hansen Clarke (D-Mich.)

Fortney Pete Stark (D-Calif.)

Michael Capuano (D-Mass.), ranking member Fi-

nancial Services Subcommittee on Oversight and Investigations

Rep. Charles Rangel (D-N.Y.), former chair, Committee on Ways and Means

Rodney Alexander (R-La.)

Raul Grijalva (D-Ariz.), co-chair, Progressive Caucus

Daniel Lipinski (D-Ill.)

John F. Tierney (D-Mass.)

Donna Christensen (D-V.I.)

Al Green (D-Tex.)

Bob Filner (D-Calif.)

Tammy Baldwin (D-Wisc.)

Peter Welch (D-Vt.)

John Olver (D-Mass.)

Larry Kissel (D-N.C.)

Yvette D. Clarke (D-N.Y.)

Chellie Pingree (D-Me.)

Michael H. Michaud (D-Me.)

Henry C. “Hank” Johnson (D-Ga.)

Zoe Lofgren (D-Calif.)

Peter DeFazio (D-Ore.)

Keith Ellison (D-Minn.)

Rosa DeLauro (D-Conn.), co-chair, Democratic Steering and Policy Committee

Wm. Lacy Clay (D-Mo.)

Bennie G. Thompson (D-Miss.), ranking member, Committee on Homeland Security

Loretta Sanchez (D-Calif.)

John Lewis (D-Ga.)

Tim Ryan (D-Ohio)

The Senate

And in the U.S. Senate? What is known is that both Maria Cantwell (D-Wash.) and John McCain (R-Ariz.), who introduced a Glass-Steagall amendment to the Financial Reform bill in 2010, and fought a losing battle against the treachery of President Obama and the Treasury to get it passed, have publicly declared their intention to reintroduce their bill, which would function as a companion to H.R. 1489. But so far, they have demurred.

It doesn't take a genius to conclude that the Administration is pulling out all the stops to prevent these Senators, and others, from putting Glass-Steagall on the agenda again. Threats, promises, financial pressure—the President who loves to brag about killing his enemies is not going to hesitate to use brutal means to

defend the British Empire, and its junior partners on Wall St., from the Glass-Steagall threat.

Institutional Upsurge

As a trip to the Glass-Steagall page of the LaRouchePAC website (www.larouchepac.com) will elaborate, the motion in Congress has been the result of an extensive mobilization within constituency groups throughout the United States, particularly labor unions and political clubs.

A number of significant *national* unions have endorsed Glass-Steagall and contacted their representatives to act for it, including the International Association of Machinists and Aerospace Workers and the AFL-CIO. They have been backed by nine state AFL-CIO Councils (New Jersey, Kentucky, California, Wisconsin, Minnesota, Iowa, North Carolina, West Virginia, Ohio), as well as dozens of local trade union councils, many of them representing the building trades. The National Farmers Union is also on the record supporting reinstating Glass-Steagall, along with several of its state affiliates, who have specifically demanded action on H.R. 1489.

The national League of United Latin America Citizens, the oldest organization representing Americans of Hispanic descent, also endorsed H.R. 1489 at their national convention at the end of August.

While the motion on the political side has been slower, it is significant. More than 10 local Democratic clubs in Washington State, most of them in the Seattle area, have passed resolutions in favor of H.R. 1489.

Only two statewide Democratic Central Committees have passed resolutions in favor of H.R. 1489—Louisiana and Washington State. But a number of local committees, including in Oregon and Texas, have also passed resolutions. Much of the initiative is being taken by local activists independent of LPAC, and it is highly likely that many more resolutions have been passed than LPAC is aware of.

There is also a certain amount of momentum within local political jurisdictions in favor of Glass-Steagall, as cities and counties face the axe of budget cuts that will devastate the conditions of life of their citizens. The endorsements include the major cities of Buffalo,



EIRNS/James Rea

Support for Glass-Steagall is growing internationally as well, thanks to be organizing of the worldwide LaRouche movement. Here, the BüSo, led by Helga Zepp-LaRouche, organizes in Potsdam, Germany.

N.Y.; Harrisburg, Pa.; Elizabeth, N.J.; and Middlesex County, N.J. In addition, a number of smaller cities in Ohio (Lorain, Parma, and Portsmouth), Pennsylvania, New Jersey, West Virginia, and Texas have considered and passed resolutions for H.R. 1489.

On the International Front

As a result of the efforts of the international LaRouche movement, there is a growing chorus of support for the reinstatement of Glass-Steagall globally, but especially in Europe, where it is clear that reinstatement of the law in the United States would unleash a wave of supportive actions on the continent. We include here only those who reference Glass-Steagall by name, and omit variants such as “ring-fencing,” and general statements for separating banking functions.

The following list gives a flavor of that support:

Belgium: Prof. Paul De Grauwe, University of Louvain

Eric de Keuleneer, former supervisor the Belgian Banking Oversight Agency, and professor at the Solvay Business School of the Free University of Brussels

MP Dirk Van der Maelen, vice president of the Flemish Socialist Party of Belgium

Denmark: Christen So@torensen, economist, professor, and former member, Danish Economic Council,

declared his support in a statement issued Oct. 7.

Ecuador: Pedro Paez, head of Ecuador's Presidential Commission for the Design of a New Regional Financial Architecture, endorsed a global Glass-Steagall reform on a radio show Sept. 13.

France: Former Prime Minister Michel Rocard called for reinstating Glass-Steagall in a full-page article in *Le Monde* on Oct. 4.

Jacques Cheminade, Presidential pre-candidate of the Solidarity & Progress party

Germany: Helga Zepp-LaRouche, chairwoman of the BüSo party, issued a call for a global Glass-Steagall system on Aug. 12, which has been signed by a number of political leaders, professionals, economists, and entrepreneurs from Germany and Austria, among other nations. The call and list can be found at www.schiller-institute.org.

Over the recent days, however, there has been an institutional shift in Germany, toward a major public debate on what is called the "Trennbankensystem," literally a two-tier banking system, as opposed to the "universal bank" system which has ruled Europe since the 1980s. Even Finance Minister Wolfgang Schäuble (CDU) wants to split up investment and commercial banking, reported the German paper *Die Freie Welt* on Oct. 22.

Schäuble's reported shift follows a very public declaration by the head of the opposition Social Democratic Party Sigmar Gabriel toward separating investment banking from commercial banking, which began with a prominent interview in *Der Spiegel* Oct. 1, and was trumpeted in a parliamentary speech in mid-October. As Gabriel put it: "I want to hang a big sign on the door of the investment banking sector reading 'State guarantees end here.' I don't have anything against people who want to speculate with their money. Nor do I forbid anyone from going to the casino. But when gambling goes awry, speculators should be liable, and no innocent third parties."

Great Britain: *Daily Telegraph* economic columnist Liam Halligan has repeatedly called for reinstatement of Glass-Steagall.

Italy: Sen. Oskar Peterlini submitted a resolution to the Senate calling for the restoration of a Glass-Steagall system on June 17, 2010. It was co-sponsored by 14 other Senators, from both majority and minority parties.

In the Chamber of Deputies, The Hon. Catia Polidori presented a resolution calling for a return to Glass-

Steagall in June of 2010. It received support from 24 other Deputies, but has not moved forward.

Deputy chairman of the Finance Committee of the Italian Chamber of Deputies Sergio D'Antoni endorsed Glass-Steagall in an interview with *EIR* on July 30, 2011.

Mexico: Sen. Alfonso Elias Serrano, PRI, and Sen. Arturo Herviz Reyes, PRD, have signed Zepp-LaRouche's call for a global Glass-Steagall.

Sweden: Swedish parliamentarians Valter Mutt and Annika Lillemets, of the Environmental Party, submitted a motion in the parliament for Glass-Steagall on Oct. 4.

Parliamentarians Ulla Andersson and Jonas Sjöstedt published an op-ed for Glass-Steagall in the newspaper *Göteborgsposten* on Aug. 10.

Switzerland: Leaders of the Swiss People's Party and the Social Democrats have called for, and introduced legislation for splitting commercial from investment banks, with specific reference to the Glass-Steagall precedent. So far, the legislation has been defeated, but *EIR* has been told by forces involved that the bill will come up again in November.

Finish Off the Speculators Now:

Cap Food Prices!



The approaching food crisis demands that the U.S. government heed the warnings of Lyndon LaRouche and follow in the steps of Franklin Roosevelt. Shut out the speculators and fix food prices now.

<http://larouchepac.com/node/18381>