November 26, 2013

Dear Rep. Tsongas:

We the undersigned elected members of the Littleton Board of Selectmen, urge you to cosign HR 129, the House bill that will restore the 1933 Glass-Steagall law to banking. Glass-Steagall was banking regulation that separated commercial banking from investment banking and thereby prohibited speculation with commercial deposits. As long as this law was in place, we were safe, as a nation, from speculative processes. In 1999, when Glass-Steagall was repealed, we lost this protection. Now we are faced with the complete collapse of the trans-Atlantic financial system if Glass-Steagall is not quickly put back into place.

The speculative bubble created by the repeal of Glass-Steagall first collapsed in 2007 and the American people were erroneously told that the only way to save the economy was to bailout the Too-Big-To-Fail conglomerates and they did so. This bailout only created a second more deadly bubble that is now set to burst if Glass-Steagall is not put back into law. Glass-Steagall will reorganize the bailout debt by returning it to Wall Street. When that debt is canceled, the Too-Big-To-Fail institutions will then probably fail, but community banks will be saved.

After Glass-Steagall, the U.S. government can then resurrect the Constitutionally-sanctioned system of federal credit and finally build NAWAPA, the great hydroelectric project envisioned by President Kennedy. Powered in our day by fusion energy technology, this project will employ at least seven million people in highly-skilled jobs and serve as a catalyst to jump-start the U.S. economy.

Please do your patriotic job and sign on immediately as a co-sponsor to HR 129 so that our beloved nation can be revived. Thank you.

Sincerely,
Acton, MA, Board of Selectmen

As I mentioned in my brief conversation, the object of my political organizing work is to get local Boards of Selectmen to to write a letter to Rep. Niki Tsongas urging her to cosign HR 129, the House bill that will restore Glass-Steagall. She is under the mistaken impression that re-enacting Glass-Steagall will harm community banks when actually the opposite is true. Community banks will be safe under Glass-Steagall. Only the speculative conglomerates who have created this huge derivatives bubble will be in trouble and that will be because Glass-Steagall will lawfully reorganize the bailout debt sitting on the books of the U.S. government and return it to the criminal speculators who have gambled and lost. No other action will save the United States from a pending hyperinflationary collapse of the whole trans-Atlantic financial system. The sooner that Congress moves on Glass-Steagall, the sooner we will be rescued from the coming disaster.

At the root of the current collapse of our economy is the shift of our nation from a producer economy to a speculative one. Central to this change was the gradual erosion of the Glass-Steagall banking standard in the years following the Nixon-era dismantling of the fixed-exchange-rate system in 1971. Then, in 1999, Glass-Steagall was repealed outright. This repeal allowed the Too-Big-Too-Fail banks to speculate with our nation's money at the expense of our shrinking productive capabilities. Then, when they got into trouble, the U.S. government bailed out their losses.

The necessary first step to reversing this collapse is the restoration of Glass-Steagall, which will break up the huge wall Street conglomerates by function and protect commercial banks by divesting them of any and all investment functions. A chorus of economists bankers, labor officials, and others are now calling for the reinstatement of Glass-Steagall. And, over twenty state legislatures have filed resolutions to urge Congress to adopt G-S. Some resolutions have already passed. Senator Eldridge has filed one in Massachusetts at my request. It awaits a Senate bill number.

Besides the bi-partisan bill, HR 129 (75 cosponsors), which sits in the House, there are two bills sitting in the Senate, S 985 and Senator Warren's bill, S 1282 (ten cosponsors.) Eighty years ago, in May, 1933, the U.S. quickly passed G-S in just 30 days. We must work faster today!

Sincerely,
Arleen Martino
Massachusetts LaRouche PAC activist

MASSACHUSETTS STATE RESOLUTION urging the Congress of the United States to reinstate the separation of commercial and investment banking functions in effect under the glass-Steagall act of 1933, and to pass HR 129 and S 985 or S 1282.

WHEREAS, an effective money and banking system is essential to the functioning of the economy, and

WHEREAS, the Glass-Steagall Act was repealed in 1999, permitting members of the financial industry to exploit the financial system for their own gain in disregard for the public interest, and

WHEREAS, many of the financial industry entities were "bailed-out' by the united states treasury at a cost of hundreds of billions of dollars to the american taxpayer; and

WHEREAS, the expanding derivatives holdings and actual insolvency of the largest banks continue to put the american taxpayers at risk for the next round of bank failures;

WHEREAS, these bank failures will lead to more bailouts as well as the implementation of the "bail-in" policy provided for in title II of the dodd-frank Act, whereas public and private deposits. pensions, and savings in banks will be seized to recapitalize banks.

WHEREAS, by contrast, an orderly bankruptcy would be made possible by the reinstatement of Glass-Steagall.

WHEREAS, Congresswoman Marcy Kaptur (D-O) and Congressman Walter Jones (R-NC) have introduced HR 129, known as the Return to Prudent Banking Act of 2013, which calls for reviving the separation between commercial banking and the securities business in the manner provided for in the Glass-Steagall act of 1933, and

WHEREAS, Senator Tom Harkin (D-IA) has introduced the Senate companion bill, S 985, and

WHEREAS, Senators Elizabeth Warren, John McCain, and Maria Cantwell have introduced a 21st Century Glass-Steagall bill now, therefore, be it

RESOLVED, that the Congress of the United States be hereby respectfully memorialized by this legislative body to support HR 129, S 985, and S 1282 which will reinstate the separation of commercial and investment banks and bank holding companies from investment in stocks, underwriting securities or investing in or acting as guarantors to derivatives transactions, in order to prevent American taxpayers from being called upon to fund hundreds of billions of dollars to bail out otr bail in financial institutions, as well as secure a safe American banking system, which can protect deposits, and supply needed credit for a productive economy, and be it further

RESOLVED, that copies of this resolution, suitably engrossed, be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives, to each member

LAROUCHE PAC

Warren Says Time To Take On Wall Street with Glass-steagall Is Now

November 13th, 2013 • 10:12 AM

Senator Elizabeth Warren woke up an academic conference in Washington, D.C., Tuesday, with an urgent call for action on her and other Senators' Glass-Steagall bill, saying, "It's time to act", in what the *American Banker* disapprovingly reported was "a fiery speech."

Warren's keynote at the Roosevelt Institute/Americans for Financial Reform conference in the Senate Russell Building became one of the leading items on C-SPAN Radio's evening "Washington Today" review, which played five minutes of the presentation in which Warren explained the necessity for Glass-Steagall. [1]

Of particular note, and new in Warren's remarks today, was her declaration that the time of waiting for Dodd-Frank regulations to solve the "too big to fail banks" problem, is over, risks of market blowouts are growing, and the time for Congress to take more action — Glass-Steagall — is now. Otherwise, her focus on directly and publicly battling Wall Street continues to be unique in the Senate.

Here is the conclusion of Senator Warren's remarks:

"So let's put the pieces together: 1. It has been three years since Dodd-Frank was passed, the biggest banks are bigger than ever, the risk to the system has grown, and the market distortions have continued. 2. While the CFPB has met every single statutory deadline — so we know its possible to get the job done — the other regulators have missed their deadlines and haven't given us much reason for confidence. 3. The result is that the Too Big to Fail remains. I add that up, and it's clear to me: its time to act. The last thing we should do is wait for more crises — for another London Whale or LIBOR disgrace or robo-signing scandal — before we take action.

"For that reason, I partnered with Senators John McCain, Maria Cantwell, and Angus King to offer up one potential way to address the Too Big to Fail problem — the 21st Century Glass-Steagall Act.

"By separating traditional depository banks from riskier financial institutions, the 1933 version of Glass-Steagall laid the groundwork for half a century of

"What we need is a system that puts an end to the boom-and- bust cycle. A system that recognizes we don't grow this country from the financial sector; we grow this country from the middle class.

"Powerful interests will fight to hang on to every benefit and subsidy they now enjoy. Even after exploiting consumers, larding their books with excessive risk, and making bad bets that brought down the economy and forced taxpayer bailouts, the big Wall Street banks are not chastened. They have fought to delay and hamstring the implementation of financial reform, and they will continue to fight every inch of the way.

"That's the battlefield. That's what were up against. But David beat Goliath with the establishment of CFPB and, just a few months ago, with the confirmation of Rich Cordray. David beat Goliath with the passage of Dodd-Frank. We did that together with Americans for Financial Reform, the Roosevelt Institute, and so many of you in this room. I am confident David can beat Goliath on Too Big to Fail. We just have to pick up the slingshot again.

"Thank you."

Links:
[1] http://www.c-spanvideo.org/program/316190-1

Bill Summary & Status
113th Congress (2013 - 2014)
S.1282
CRS Summary

S.1282
Latest Title: 21st Century Glass-Steagall Act of 2013
Sponsor: Sen Warren, Elizabeth [MA] (introduced 7/11/2013) Cosponsors (9)
Latest Major Action: 7/11/2013 Referred to Senate committee. Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

SUMMARY AS OF:
7/11/2013--Introduced.

21st Century Glass-Steagall Act of 2013 - Amends the Federal Deposit Insurance Act to prohibit an insured depository institution from: (1) being or becoming an affiliate of any insurance company, securities entity, or swaps entity; (2) being in common ownership or control with any insurance company, securities entity, or swaps entity; or (3) engaging in any activity that would cause the insured depository institution to qualify as an insurance company, securities entity, or swaps entity.

Prohibits any individual who is an officer, director, partner, or employee of any securities entity, insurance company, or swaps entity, except in specified circumstances, from serving simultaneously as an officer, director, employee, or other institution-affiliated party of any insured depository institution.

Makes certain technical and conforming amendments to the Banking Act of 1933 and the Revised Statutes of the United States to limit the business of national banks to receiving deposits, extending credit, discounting and negotiating evidences of debt, loaning money on personal security, engaging in coin and bullion exchange, and investing in investment securities.

Limits the purchase and sale of investment securities and stock by a national banking association to the accounts of customers, but in no case for its own account. Prohibits an association from underwriting any issue of securities or stock.

Prohibits a national banking association from investing in structured or synthetic products, defined as financial instruments in which a return is calculated based on the value of, or by reference to the performance of, a security, commodity, swap, other asset, or an entity, or any index or basket composed of such items.

Amends the Home Owners' Loan Act to repeal the authority of federal savings agreement, a swap agreement, a master netting agreement, and across contracts. Repeals requirements for the timing of damage measurement in connection with such financial instruments, including commodity contracts and forward contracts.

LAROUCHE PAC

Fear Spreads of Crash Before Year-end

November 22nd, 2013 • 9:04 AM

A former director of a regional Federal Reserve Bank with strong ties to the American corporate and national security community has warned that there is growing belief that there could be a blowout of the global financial system before the end of the year.

The fears are tied to the meltdown of the Obama presidency and the looming deadline for the joint House-Senate conference to reach agreement on a new budget and, later, on an extension of the debt ceiling. It is, according to the source, well-known that there was a clean, bipartisan solution to the government shutdown placed on President Obama's desk by Sen. Susan Collins (R-Me.) prior to the government shutdown and that the proposal was rejected, because the White House wanted to use the shutdown to boost Obama's collapsing approval rating and calculated (correctly) that the tea party Republicans would walk right into the Obama trap.

As a consequence of that craven political stunt, all confidence in the U.S. government was eroded, and as the result, there is zero confidence that there will not be a repeat of that partisan scheme again. The former Fed director recalled that in September 2008, there was such panic in the financial markets that overnight interbank lending completely froze up, because banks had no confidence in the balance sheets of other banks. We are now, he warned, in a similarly precarious situation, in which there could be a systemic crash sometime in December or January.

The same individual warned that the Fed's quantitative easing has gone on so long that the Fed has amassed a huge portfolio of toxic assets, and that there is no way to solve this problem — either by continuing the QE or "tapering" it to a halt. Nothing, he conceded, short of Glass-Steagall, can create the breathing room for an orderly reorganization and relaunching of real economic growth. Obama has created such political uncertainty that any slight shift could cause a total crash.

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