



# Resolution

## For Glass-Steagall and a National Bank

**WHEREAS** the public credit system designed and carried out by Treasury Secretary Alexander Hamilton laid the basis for the America's once-unparalleled industrial power; and,

**WHEREAS** the founding policy of this nation was one of non-interference, and cooperation in progress with all sovereign republics, as stated most forcefully by President Monroe's Secretary of State and successor in the White House, John Quincy Adams; and,

**WHEREAS** the combination of commercial (deposit and lending) banks, with a national bank or national banking system, once effectively created a credit system to suppress the dangerous powers of financial speculation, as most recently by President Franklin Roosevelt's Glass-Steagall banking separation act together with the Reconstruction Finance Corporation; and,

**WHEREAS** the end of Glass-Steagall in the 1990s allowed an explosion of speculation in financial derivatives contracts and led to the global financial crisis of 2007-08; and,

**WHEREAS** the U.S.—and world-- financial system is on the verge of an explosive uncontrolled collapse because of the growth of more than \$2.0 quadrillion in derivatives, crypto currencies, as well as commercial banking, hedge fund, and private equity speculation, which collapse will further destroy the financial system, agro-industrial enterprises, and productive employment; and,

**WHEREAS** to protect it, the financial system should be placed into an orderly bankruptcy reorganization, and the vast majority of these speculative instruments wiped from the books of financial and business organizations, and that this be done as a coordinated aspect of Glass-Steagall bank separation; and,

**WHEREAS** after that global financial crisis, speculation ruled the banking system, with the ratio of

loans to deposits in the U.S. banking system falling from its long-term level of approximately 100% down to 60% by 2022, and in the biggest Wall Street banks from 85% down to approximately 40%; and,

**WHEREAS** under Glass-Steagall bank separation, commercial banks are essentially limited to the business of depository services and lending, and prohibited both from owning, and from lending to funds for the purpose of securities broker-dealing; and from dealing in the markets for financial derivatives contracts; and,

**WHEREAS** the Federal Reserve feeds speculation rather than lending by commercial bank holding companies, in that it purchases megabanks' securities in exchange for electronic reserves, facilitating further securities dealing by those banks; and,

**WHEREAS** the Federal Reserve itself, with unlimited liquidity, does no lending at all except to these megabanks; and,

**WHEREAS** the economy, in order to recover its powers of industrialization and technological advance, needs credit for infrastructure projects, reindustrialization, and to participate in economic development projects abroad; and,

**WHEREAS** a national bank can accomplish this by credit issued through a capital budget, enabling far more funding than can be accomplished by Federal spending;

**THEREFORE:**

We, \_\_\_\_\_, support the rechartering of the Federal Reserve as a Bank of the United States for infrastructure and Manufactures; and support the re-enactment of a Glass-Steagall bank separation act to dry out massive debt speculations by banks and "private credit," and prepare the way for the return to a credit system.