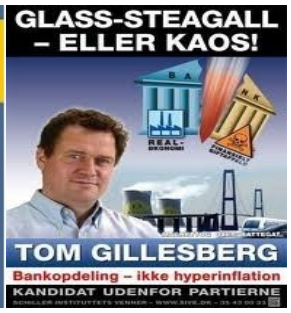
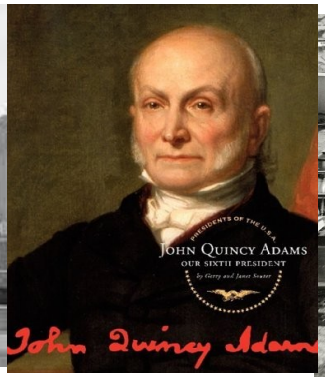
Bulletin of The Committee for the Republic of Canada

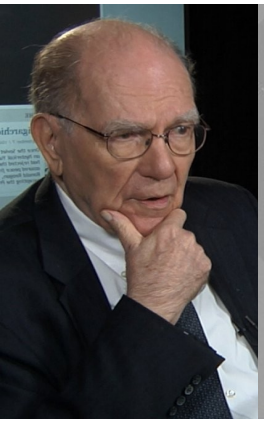
A NATIONAL ECONOMIC RECOVERY PROGRAM :

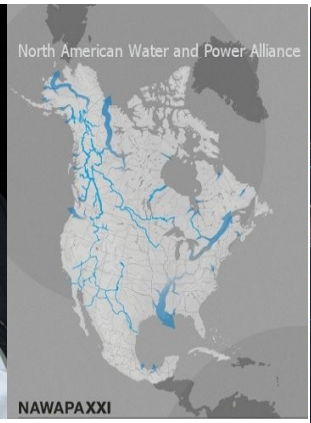


A Glass-Steagall System of National Banking



To Fund NAWAPA and Other Great Projects





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Introduction

A Unified Economic Recovery Program

''In 2007-2008, the governments of the trans-Atlantic region missed the opportunity to attack and eliminate the speculation-based financial system. The financial bubble created over decades had finally burst, but proposals to protect the real economy from the collapse of fictitious asset values were ignored or blocked.''

Half a decade later, a sound economic prescription must urgently be applied, globally, if we are to prevent the world from careening into a spiral of **hyperinflation** that would open the door to WWIII.

Without putting all nations of the trans-Atlantic region immediately under the **U.S. equivalent of a Roosevelt-era Glass-Steagall reform**, there could be no viable economic future possible in any nation on either side of the Atlantic.

Glass-Steagall by itself will not solve the economic crisis, but it is the first necessary step to a three-point program for a full economic recovery. What Glass-Steagall will do is prevent investment bankers from gambling away depositors' money; it will also take away the government safety net for investment banks. No more bail-outs for so-called universal banks. The enactment of a Glass-Steagall legislation modelled on the 1933 original would create a strict separation of activities of commercial banks from those of the speculative investment banks. In Canada, we would begin that process by re-establishing the **four pillars policy**.

The Glass-Steagall as a Rooseveltian system could not work without the second element which consists of issuing large amounts of productive public credit through a newly established **system of national banks** across the trans-Atlantic region. In the Northern Hemisphere these national banks will be called upon to fund the third element of the full recovery program which is the North American Water and Power Alliance (NAWAPA), a continent-wide project and, eventually, other capital-intensive investments in basic economic infrastructure such as maglev trains and **high energy-flux density** sources of energy, typified presently by fourth generation nuclear power plants and the future development of fusion energy.

Such a three part economic recovery program taken as a unified whole will foster a community of principle among sovereign nation-states that ensures that development now becomes the new name for peace.

The Cyprus Template: ’Your Money AND Your Life’

As the story of the Cyprus Template for world financial reorganization unfolds, it is now becoming totally clear that British Empire’s policy is “your money and your life.” Dennis Small of EIR reviews recent intelligence tracing the now infamous Cyprus "bail-in" policy back to a December 2012 BoE/FDIC report, and all the way to Dodd-Frank.

April 2, 2013—As the story of the Cyprus template for world financial reorganization unfolds, it is becoming clear that the British Empire’s policy is, "Your money and your life."

What’s going on in the case of the recent developments is that The Great Cyprus Bank Heist, where the entire banking sector of Cyprus has in fact been frozen—there is a 100% freeze on liquidity—is not something that was done by the European Commission, the European Central Bank, and the International Monetary Fund, the well-known and well-despised Troika, as a response to the crisis in Cyprus. That’s nonsense. This was something that was long planned, and goes back, minimally, to a December 2012 planning document, jointly issued by the Bank of England (BOE) and the Federal Deposit Insurance Corporation (FDIC) of the United States, working with input of the Federal Reserve system of the United States.

In fact, it goes back, according to the best evidence that we have in hand so far, to planning documents issued six months earlier than that, by the European Union. That’s as far back as we have it at this point, of the black-and-white check stubs-in-hand evidence, of the planning that is going on for global seizure of your money, and your life, by the British Empire, to try to salvage their completely bankrupt and unsalvagable financial system, and implement their stated policy of intentional genocide and depopulation.

There is legislation that is planned; it is so stated by the European Union. There are documents being presented to the European Parliament, and to the nations involved. And there is also existing legislation in the United States, including the notorious Dodd-Frank bill; and there is additional legislation planned, which is designed to bring about this great global bank heist.

Now, leaving all of the specific facts aside for the moment—and we will go through some of these facts—it was clearly evident, going back quite some time, that this policy was in fact the intention of the British Empire, even before it had stated that it was their intention. The fact of the matter is, that, as Lyndon LaRouche has repeatedly noted, it is intention that is the causal guiding force, not only in human history, and in the economy, but in the physical universe as well. And this is a lesson, a deeper, more profound lesson to be learned, from the current scandal underway.

Now, regarding the latest developments: yesterday, March 31—I’m speaking to you today on April 1—Lyndon LaRouche commented that what is now going on involves a crime so great that the people responsible, in particular, your Congressman, your Senators, will be held accountable. Lyndon LaRouche said, and I quote: "The enactment of such a provision, now, would be, in effect, an act of treason against the United States, because it means the destruction of the United States. And the members of the Senate, or other bodies, which go for this, are guilty, in terms of intention, of treason, of a treasonous action. Not to support Glass-Steagall is already tantamount to treason, because only the Glass-Steagall Act would save the United States from collapse. We don’t need to save any of the big banks. They go down, they go down. We save the nation."

You Can’t Get Your Money

Now, let’s review what is underway at this point, to survey the battlefield as of this moment.

In Cyprus, in the course of last week, the authorities of the European Union and the Cypriot government announced what they would be doing with the largest banks, including the Bank of Cyprus, under the bail-out regimen being implemented, or what they’re calling the "bail-in" mechanism. Thirty-seven and a half percent of all deposits in the Bank of Cyprus, above €100,000—they claim they will fully honor all deposits up to that amount—will be forcibly converted into common stock in the Bank of Cyprus. In other words, 37.5% of what you thought you owned, over €100,000: "Congratulations! You now are part owner of a completely bankrupt, insolvent bank! No choices; it’s yours!"

Of the remainder, there is 22.5% of your deposits that you will never see again, and you’ll not receive any interest on it either. Forty percent you will also never see—unless, of course, the bank does wonderfully well, which has zero chance of occurring—but you supposedly will accrue interest on that 40%.

Now, there’s only one problem here, which is that, all of this supposed money, both the interest accrued and what you’re possibly going to get later, is completely frozen and locked up in the Cypriot banking system! You can’t get it. You can only get €300 a day—which may sound like a lot, if the economy were simply people going out to buy lunch or something like that, or going to the gas station. But businesses cannot function under that regime. In fact, what is going on right now in Cyprus, since banks do not cash checks, they will not take credit cards, everything is frozen to steal the money to bail out the trans-Atlantic banking system, there’s no longer a monetary system of any significance whatsoever in Cyprus.

Restaurants are functioning on a cash basis. They have to pay their providers on a cash basis. Checks don’t work, credit cards don’t work, ATMs don’t work—your money is worthless. It was worthless before, in point of fact, but now it is completely unavailable. And the economy is beginning to grind to a halt. How many days or weeks this will last is anybody’s guess, but you already have shortages of everything. The ports in Cyprus are not functioning. The restaurants are closing down. Businesses are closing

down. People are not able to eat—the food lines are growing in many of the cities in Cyprus. And there is growing panic in the population, a cross between panic and resignation and despair.

A Europeanwide Policy

That's just Cyprus. But the exact same thing, the exact same policy, this "Cyprus template" which we have been discussing, is in fact, already underway, actively, in Spain as well. In that case, depositors in Spanish banks were swindled into buying preferred stocks in those same banks, which now have gone bankrupt, like the famous case of Bankia bank. So you are now the proud owner of worthless bank stock, just like in Cyprus, where it was done involuntarily; except in Spain, they swindled you into doing it. And you now own stock, which is worth .1% of what it was worth two weeks ago.

Parenthetically, that is exactly what was done in the United States, by First National City Bank, in the early 1930s. And it was the subject, among other things, of the famous Pecora Commission under Franklin Delano Roosevelt, which at the time led to the 1933 Glass-Steagall law. And it has to lead to that again today. It's the same crimes; it's the same cast of characters; it's the same requirement; and this time, it has to end, as it did under Roosevelt, with a return to Glass-Steagall (see p. 30).

But it's not just Cyprus and Spain. This is the active policy, for example, throughout the whole European Union. It was stated by Joeren Dijsselbloem, who is the new president of the Eurogroup, on March 25, where he said, "Cyprus is the template." Four days later, on March 29, just to make it clear that this was no false statement by Dijsselbloem—he may have been a little excessively frank about what the policy was, but this is the policy—a member of the governing council of the European Central Bank, Klaas Knot, said this approach of swiping deposits "will be part of the European liquidation policy."

On the same day, a Swiss member of the European Parliament, Gunnar Hokmark, said, "You need to be able to do the bail-in as well with deposits." And he announced that there is specific legislation to this effect, that has been prepared and presented to the European Parliament.

Perhaps most explicit of all, on March 26, was the statement, at a press conference given by Chantal Hughes, the spokeswoman of Michel Barnier, who is the European Commissioner in charge of financial robbery—excuse me, of financial regulation. What she said was: "At no point is it possible to bail in depositors under €100,000"—Oh, heavens no—except that it just happened in Cyprus, but it won't happen anywhere else—"either now or in the future. But in the Commission's proposal, which is under discussion, it is not excluded that deposits over EU100,000 could be instruments eligible for bail-in. It is a possibility."

There are also reports that we have from Canada, of the Economic Action Plan of 2013, laying out the same policy, which is to swipe people's deposits to try to bail out the bankrupt banks. And so on and so forth.

So let's take a step back, and look at the entire world. What you're talking about is an interconnected chain, a financial chain, which has two weak links. The first weak link, as we're seeing clearly, is the case of Cyprus.

The second "weak link" of the chain is the entire trans-Atlantic financial system. The entire chain, in fact, is gone. And don't assume for a second, that somehow South America, or Africa, or even Asia, will fare well under these circumstances. The entire thing is coming down.

Now, since we've taken a step back to get a global view geographically, let's do so conceptually as well.

British Imperial Intention Is Genocide

Lyndon LaRouche foresaw that exactly this was the British plan. That, as they have stated, they can no longer run another bailout, like they did in 2008, by fleecing taxpayers directly; they have to go about it by fleecing the taxpayers indirectly, by stealing "unsecured creditor" accounts, meaning depositors. LaRouche foresaw this, knowing none of the details that I've presented so far, and none of those that I will present momentarily, as well.

Because what LaRouche recognized was the actual intention of where the British Empire was heading, which he presented in a Feb. 15, 2013 webcast, pointing to exactly this development. He said:

"The vast mass of debt, which is represented by the monetarist operation, would be cancelled. In its place, they would have a new system of finances, which ignores entirely all the obligations associated with the old! Which would mean that most of the people of the world would be starving to death, quickly.... I know exactly what they're doing, because I know how systems work.

"This is the greatest population-reduction scheme so far in known history. And that's what the policy of the people who oppose Glass-Steagall is—whether they themselves know it or not. But they will be held accountable for the effect of that policy."

In other words, what LaRouche was operating on—and what you need to operate on, if you want to understand the nature of the enemy, and where the world is going, instead of relying on gossip and media accounts to determine how to act—is: You have to know the intention. And often the intention is unknown to the actors in the drama itself.

The universe as a whole, physically as well as in history and economy, is guided by intention, by an overriding causal direction of where things are heading. In the case of the economy, to survive and implement their depopulation policy, the British Empire had to do what they're now doing, which is what LaRouche knew and said they would do. So the question of intention, not the simple "facts" and "evidence" and sense-certainty which are presented to us on a daily basis, is actually the governing causality. It is this standpoint of LaRouche's, and only this standpoint, which can allow accurate forecasting, such as LaRouche has engaged in repeatedly.

Bailing Out the Cancer

Now we have further documentation in hand. For example, we have revisited an earlier document, published on Dec. 10, 2012, jointly written by the Bank of England and the Federal Deposit Insurance Corporation of the United States. It is a document which has a very unlikely title: "Resolving Globally Active, Systemically Important Financial Institutions," which, for the cognoscenti, are known as "G-SIFIs." For the purposes of our discussion today, there are four points from this document that are worth underlining, all hung together under the guiding line that we have to bail out the speculative cancer, come what may.

First, they say that what they call "unsecured creditors" are fair game. Now, "unsecured creditors" can mean various things. It can mean, in fact, depositors above a certain amount that is supposedly guaranteed, either by the FDIC in the United States, or guaranteed by the EU in Europe. Now, that latter guarantee has just been ripped up into little pieces of confetti in the case of Cyprus, so I wouldn't rely on that particularly. But the argument about "unsecured creditors" is that, what will now be allowed is to simply lift, steal, rob, seize, the unsecured creditors, i.e. deposits in these financial institutions, for the purpose of bailing them out.

This is completely unheard of. Let's be clear: Under current standing regulations and practice, which are now being destroyed, what supposedly happens is that the FDIC-insured amount in the United States is protected, in the case of a bank going bankrupt and being rolled up, going out of business. The FDIC takes care of you to that level. If you have more than that: "Sorry sir, sorry ma'am, you just lost it."

However, what's being proposed now, is that you're going to lose your deposits, not to put the bank out of business, but to keep the bank in business, to keep the cancer operational! It's absolutely scandalous! And the size of the cancer, the size of the bubble that they plan to keep intact with your money, if you have any, is enormous. You're talking about quadrillions of dollars! And that's why it's both your life and your money that they're talking about seizing.

And they're not just intent on doing it; they are doing it. It's happening now. It's happening in Cyprus; it's happening in Spain; it's happening across the EU; and it's about to happen in Canada, the U.K., and the United States. Like they say, "It's coming to a bank near you"!

So that's point number one of the BOE-FDIC document: they intend to take the "unsecured creditors" to the cleaners.

Number two: they are talking about using this process to transform the cancer, the speculative bubble, into a leaner, meaner banking system, which is exactly what LaRouche was describing. To this end, they are using the arguments of the idea of "Too Big To Fail," of ring-fencing, and of the Dodd-Frank bill.

The Fraud of 'Too Big To Fail'

Take Too Big To Fail, or TBTF as it is called: First of all, the whole idea is nonsense. What do you mean, "too big to fail?" They have failed! They're gone! To argue that the problem is TBTF, is to argue that the problem will be solved by splitting the banks up. It's like saying: Well, let's take this metastasized cancer, and divide it up into different portions, and place the different cancerous portions all over the body. That's the "Too Big to Fail" argument.

Furthermore, the problem is not the size of banks or bank lending. The problem is the function; and if the function is to feed the cancer, it's all got to go. And if the function is not to feed the cancer, as under Glass-Steagall, we salvage it. But what's happening with TBTF is that this is now the basis—and it is explicitly stated in the BOE-FDIC document—to push through their fascist banking reorganization.

The same thing with ring-fencing, and they're quite explicit about that too: "The resulting new private sector operations would be smaller, more manageable—and perhaps more profitable.... Ring-fencing of a banking group's retail banking activities from the group's investment banking activities would prove particularly valuable in facilitating such a restructuring."

So, it's not simply that TBTF, ring-fencing, the Liikanen proposal, electrified ring-fencing, Dodd-Frank, and all of these things are merely distractions from Glass-Steagall. They are actually part of the enemy's genocidal plan, and anybody who is using that as an excuse to not back Glass-Steagall, as LaRouche said, is committing acts tantamount to treason. Because the effect of this—as is clear, from this document, and as LaRouche foresaw—is that the world's population is going to lose not just their money, but their lives. This is a case of your money and your life.

The third point of the BOE-FDIC document, is that they announce that the joint coordination between the United Kingdom and the United States will best go ahead only after the point that the British banking system is reorganized under a new regulatory authority, which will incorporate all of the non-deposit-taking financial institutions. That means the Goldman Sachses of the financial universe: the investment banks, the insurers, everybody involved in the derivatives bubble. In other words, prior to including these institutions under the regulatory scheme, the British side of the operation was not in place and assured, from their standpoint. But, they inform the reader, they will be shortly. When? Today, April 1, 2013. And this is no April Fool's joke. The British side is now operational to be able to do this. All systems are go, and this is what they're planning to proceed with.

The fourth and final point, is that they announce that they will have, by the end of this year, a detailed plan—bank by bank—of the G-SIFIs, which are the banks that they're going to save, and let the other ones go to hell. But the G-SIFIs will be bailed out, and they will have them identified, bank by bank, with the exact mechanism for each case, by the end of this year.

No Alternative to Glass-Steagall

All of this was knowable, and in fact it was all known, without knowing any of the details or any of the predicates, some of which I've presented to you today. If you think like LaRouche; if you understand what the actual causal relationships are in the physical universe and in the political universe, and are not distracted by sense perception and the nonsense idea that somehow truth is based on that which you perceive, you will recognize that truth is not based on what you perceive—such things are knowable. Truth is based on understanding the underlying universal physical principles that are operating—often, with the absolute ignorance of the participants themselves.

But the problem here, with the Senate of the United States and with the Congress of the United States, is not principally ignorance. Not that they're not ignorant; they are. But the problem is cowardice. The problem is refusing to see what's directly in front of their eyes, because they don't like the implications of acting on that. So we have this national problem of a cowardly, and therefore willfully blind, group of elected officials—Senators and Congressmen, and so forth—whom LaRouche has made it very clear will be held accountable and must be pressured into adopting Glass-Steagall immediately, because there is no other alternative than that to this type of worldwide thievery and robbery and global genocide.

http://www.comiterepubliquecanada.ca/article2964.html

Bank Deposits Can Be Used To Bail Out Canadian Banks! Yes, 'It Can Happen Here'.

31 March 2013 (CRC)—When the president of the so-called Eurogroup, the Netherlands Finance Minister Jeroen Dijsselbloem let the cat out of the bag in terms of bankers future plans following the theft of Cypriots bank deposits, all hell broke loose in Europe as the financial press headlined that the seizing of bank deposits of Cypriots would become a "template for other European Union countries".

What Dijsselbloem had said in that recent Reuters interview was not an opinion, a mistake or a misquote. All bank deposits worldwide, not just in Europe, are now at risk as per the policy directives issued by the Basel-based Financial Stability Board (FSB) to the G20 countries in October 2011.The 45 pages FSB guidelines entitled " *Key Attributes of Effective Resolution Regimes for Financial Institutions* dealt with the risks associated with "*systemically important financial institutions*" (SIFI). A more recent, December 10, 2012, joint paper by the US Federal Deposit Insurance Corporation (FDIC) and the Bank of England (BOE) called " *Resolving Globally Active, Systemically Important, Financial Institutions* " goes back to the period of the passage of the Dodd-Frank Act in June 2010. "The Dodd-Frank Title II, *Orderly Liquidation Authority*, and those who voted for it **were voting to trash the principles of Glass-Steagall organization and regulation of commercial banking**."

Is it any surprise that Canada has already put into law the FSB directive? Not if you consider that Mark Carney, who was appointed November 4, 2011 president of the Financial Stability Board at the Bank for International Settlement (BIS) is the "enforcer" of the policy. Carney came in just a few days after the FSB guidelines were announced in October 2011 under the watch of Mario Draghi who, like Carney, is a former executive at Goldman Sachs. In the meanwhile, Minister of Finance Jim Flaherty has included in his recent budget *Economic Action Plan 2013*, on pages 144-145, directives to implement a "bail-in regime" for systemically important banks in Canada:

> "*The Government also recognizes the need to manage the risks associated with systemically important banks—those banks whose distress or failure could cause a disruption to the financial system and, in turn, negative impacts on the economy. This requires strong prudential oversight and a robust set of options for resolving these institutions without the use of taxpayer funds, in the unlikely event that one becomes non-viable.*
>
> "*The Government intends to implement a comprehensive risk management framework for Canada's systemically important banks. This framework will be consistent with reforms in other countries and key international standards, such as the Financial Stability Board's* ***Key Attributes of Effective Resolution Regimes for Financial Institutions****, and will work alongside the existing Canadian regulatory capital regime. The risk management framework will include the following elements:*
>
> "*Systemically important banks will face a higher capital requirement, as determined by the Superintendent of Financial Institutions.*
>
> "*The Government proposes to implement a —bail-in regime for systemically important banks. This regime will be designed to ensure that, in the unlikely event that a systemically important bank depletes its capital, the bank can be recapitalized and returned to viability through the very rapid conversion of certain bank liabilities into regulatory capital. This will reduce risks for taxpayers. The Government will consult stakeholders on how best to implement a bail-in regime in Canada. Implementation timelines will allow for a smooth transition for affected institutions, investors and other market participants.*"

Glass-Steagall or Die

Only a global Glass-Steagall system can prevent the genocide levels of austerity presently in the implementation stage and bring about a more just new worldwide credit system capable of issuing large amounts of productive public credit for world reconstruction. [GG]

See also:

'The Cyprus Template: 'Your Money AND Your Life' Video
http://www.committeerepubliccanada.ca/article2964.html

'Too Big To Close': those who voted for Dodd-Frank are in on deposit robbery
http://www.comiterepubliquecanada.ca/article2961.html

A NATIONAL ECONOMIC RECOVERY PROGRAM
http://www.committeerepubliccanada.ca/IMG/pdf/march2013bulletin-2.pdf

Quantitative Stealing — A Chronology

April 4, 2013 (LPAC)--This is an incomplete chronology of salient points in the process of discussion and elaboration of the "bail-in" or "Cyprus Template" policy of stealing bank deposits. It shows that, although the "bail-in" scheme predates the breakout of the global financial crisis, there was a shift after the Lehman Brothers shock. It also indicates a central role played by London and Mario Draghi's Financial Stability Board, the entity that former Italian Economy Minister Giulio Tremonti called "the Trojan Horse of international finance." The FSB is nothing other than a branch of the Bank for International Settlements (BIS), in whose premises it is hosted.

Jan. 28, 2010 — The Economist published a guest article entitled "From Bail-Out to Bail-In" by Paul Calello, the head of Crédit Suisse's investment bank, and Wilson Ervin, its former chief risk officer, pushing "a new process for resolving failing banks." Calello and Ervin draw the "lessons of Lehman's failure," telling how they had participated at the meetings at the Federal Reserve "over that fateful weekend in September 2008... When the two of us left the New York Federal Reserve on Sunday night, we knew that the financial landscape was in for a seismic shock." Lehman's bankruptcy could have been kept at $25 billion, instead of the $150 billions of shareholder and creditor losses — if a bail-in scheme had been in place. A bail-in "offers a powerful new way to recapitalize financial institutions using a bank's own money, rather than that of taxpayers ... and prevent individual problems from turning into systemic shocks."

July 21, 2010 — Enactment of the Dodd-Frank Bill.

Oct. 20, 2010 — The Financial Stability Board (FSB) issued recommendations on "Reducing the Moral Hazard Posed By Systemically Important Financial Institutions" (SIFIs).

Oct. 8, 2010 — Speaking at the Peterson Institute in Washington, FSB chairman Mario Draghi called for adopting legislations on the model of Dodd-Frank throughout the world and moving to a bail-in policy in order "to resolve SIFIs without disruptions to the financial system and without taxpayers' support."

November 2010 — A bail-in working group at the FSB was set up upon request of G-20 leaders at the November meeting in Seoul.

February 2011 — The European Commission published a consultation document proposing that resolution authorities be given significant power to write off equity and write down or convert subordinated debt. "Resolution authorities would have a discretion as to which classes of debt would be written down or converted in a particular case, the extent of the 'haircut' and, where relevant the rate of conversion. The exercise of that discretion might take into account, among other things, the systemic risks of writing down certain creditors," the report says.

May 3, 2011 — Mario Draghi, FSB chairman, called for EU law "to govern bail-in powers." "Any such toolkit should include bail-in powers to ensure that the costs of such failures are met by shareholders and creditors rather than taxpayers or the wider financial system," he said according to Reuters.

July 19, 2011 — The FSB issued a consultation draft on the "Effective Resolution of Systemically Important Financial Institutions."

Sept. 2, 2011 — Crédit Suisse sent its suggestions to the draft, probably written by Calello and Ervin.

Nov. 4, 2011 — The FSB issued International Standard for Resolution Regime. Resolutions are centered on bail-in procedures, which are so described: Bail-in within resolution.

3.5 Powers to carry out bail-in within resolution should enable resolution authorities to:

(i) write down in a manner that respects the hierarchy of claims in liquidation (see Key Attribute 5.1) equity or other instruments of ownership of the firm, unsecured and uninsured creditor claims to the extent necessary to absorb the losses; and to

(ii) convert into equity or other instruments of ownership of the firm under resolution (or any successor in resolution or the parent company within the same jurisdiction), all or parts of unsecured and uninsured creditor claims in a manner that respects the hierarchy of claims in liquidation;

(iii) upon entry into resolution, convert or write-down any contingent convertible or contractual bail-in instruments whose terms had not been triggered prior to entry into resolution and treat the resulting instruments in line with (i) or (ii).

3.6 The resolution regime should make it possible to apply **bail-in within resolution** in conjunction with other resolution powers (for example, removal of problem assets, replacement of senior management and adoption of a new business plan) to ensure the viability of the firm or newly established entity following the implementation of bail-in.

* * *

June 6, 2012 — The EU Commission issued a 171-page-thick draft bill ("Directive of the European Parliament and of the Council") for Bank Recovery and Resolution, which is centered around a bail-in scheme including confiscation of deposits above the guaranteed threshold of EU100,000.

End of 2012 — Switzerland introduced a bank resolution scheme which anticipates the "Cyprus template," providing for deposits over SFr100,000 to be part of the bail-in capital. You can see the footprints of the Crédit Suisse High Risk desk behind this.

March 11, 2013 — At a Chatham House (RIIA) conference in London, ECB Vice-President Vitor Constancio explained that the bail-in mechanism is a central feature of the planned Eurozone Banking Union and called for the EU Bank Recovery and Resolution Directive (the 2012 draft) to "be adopted by the middle of this year." The Directive will "provide a better framework for coordinating resolution of cross-border banks and provide national authorities with new resolution powers. These new powers — like writing down capital instruments and bailing-in creditors — should help ensure that the financial sector, rather than taxpayers, bears the burden in future bank resolution."

March 26, 2013 — Second Cyprus deal, with all deposits over EU100,000 being included in the bail-in. Eurogroup President Jeroen Dijsselbloem says that Cyprus is a template for all of Europe. "You need to be able to do the bail-in as well with deposits," said MEP Gunnar Hokmark (Sweden, European People’s Party group), who is leading negotiations with EU countries to finalize the EU law for "banking resolution" (the 2012 draft) to be voted at the European Parliament. "Deposits below EU100,000 are protected ... deposits above EU100,000 are not protected and shall be treated as part of the capital that can be bailed in," Hokmark told Reuters, adding that he was confident a majority of his peers in the European Parliament backed the idea. [DNS]

Appeal to Governments and Parliaments for Glass-Steagall Now!

The following appeal was issued June 17, 2012, for urgent action across Europe and the Trans-Atlantic region by Helga Zepp-LaRouche, president of the International Schiller Institute.

1. All nations of the Trans-Atlantic region must enact a law which would separate commercial banks from investment/speculative banking entities, based upon Franklin D. Roosevelt's Glass-Steagall bill of June 16th, 1933. Up until the beginning of the 1980's, the principles of Roosevelt's reform were in place in European nations, in the form of strict regulation, and ensured that the banking sector mainly took on the character of commercial banks, and access to private accounts for risky speculative operations was impossible.

As things stood before Glass-Steagall was dismantled in 1999 through the Gramm-Leach-Bliley Act, commercial banks must once again be completely separated from both investment banks and the insurance sector.

2. Commercial banks must be put under government protection, whilst the investment banks put their books in order without any help from taxpayers' money, which in practice means that toxic paper must be written off in the trillions, even if this leads to the insolvency of the banks themselves.

3. A National Banking system in the tradition of Alexander Hamilton, within the framework of a new Credit System, must provide long-term credit with low interest rates for productive investments, which would in turn increase the productivity of the economy by promoting an increase in energy-flux density, and in scientific and technological progress.

4. The reconstruction of the real economy should be facilitated through long-term treaties of cooperation between sovereign nation-states, which would launch well-defined infrastructure and development projects in the context of the Mediterranean and North-american plan for an Economic Miracle, seen as a necessary extension of the Eurasian Land- Bridge. These contracts represent a de facto new credit system, a New Bretton Woods system, in the tradition of Franklin D. Roosevelt.

The purpose of re-enacting Glass-Steagall and implementing a Credit System is by no means only an improvement of technical details in banking, but rather, how the economy can ensure the survival of humanity over a period spanning many generations into the future, whilst increasing the productive powers from one generation to another. Human beings must once again be at the center, and the very purpose, of economics.

We, the undersigned, direct our urgent appeal to governments and parliaments, that they fulfill their constitutional duty and protect the general welfare of the populations they represent, by immediately enacting Glass-Steagall banking separation into law.

I support this Appeal

First name _____
(Required)
Last name _____
(Required)
Profession _____
Organisation _____
City _____
(Required)
Province _____
(Required)
Phone number _____
Email _____
(Required)

With my signature, I agree that my name may eventually be made public.

The Glass-Steagall System :

- Worldwide Glass-Steagall Legislative Initiatives: An International Overview
- **The Game Is Up:** The Fed Is Bankrupt
- **Restore Glass-Steagall :**

Legislation to Restore Glass-Steagall, “The Return to Prudent Banking” Act, was introduced into the 112th congress as HR1489. It garnered massive institutional support and 84 co-sponsors in the house of representatives. **“The Return to Prudent Banking” Act has been re-introduced in the 113th Congress as HR-129.**

Text of HR-129 http://thomas.loc.gov/cgi-bin/query/z?c113:H.R.129:

Support for HR-129 ***Updated*** http://larouchepac.com/hr129support

Support for Previous Bill (HR1489) http://larouchepac.com/node/19643

Worldwide Glass-Steagall Legislative Initiatives: An International Overview

13 January 2013--The following is an international overview of activity surrounding the reimplementation of Glass-Steagall banking separation taking place within the governments of the transatlantic region.

Worldwide Glass-Steagall Legislative Initiatives

The urgency of enforcing full, Glass-Steagall separation of the banks, as specified in Franklin D. Roosevelt's 1933 law — not the fraudulent self-policing schemes ("ring-fencing," "the Volcker rule," Liikanen, etc.) put forward by speculative finance— is being recognized and debated by leading figures and representatives across all continents as the first, necessary step towards ending the disintegration of the international financial system.

As of this writing, legislation to implement Glass-Steagall has been introduced in the legislatures of six countries, and is being hard-fought as a central issue of government in both the United Kingdom and in France. In the latter, a call for a global Glass-Steagall has been signed by over 250 elected officials, including a member of the National Assembly. The French fight is being led by the *Solidarité&Progrès* party, headed by former Presidential candidate and Lyndon LaRouche co-thinker Jacques Cheminade, which is mobilizing the political forces required to replace the fraudulent banking reform bill presented by the Hollande government on Dec. 19, 2012, with a real Glass-Steagall law, when the Hollande bill is debated in the French parliament in coming weeks.

Legislation can and must be quickly prepared and entered in other countries. For example, Paavo Arhinmäki, party leader of Finland's major leftwing party, Vasemmistoliiton, and Minister of Culture in that government, supported the implementation of a Glass-Steagall law in an article October 28, 2012 in Finnish newspaper Kansan Uutiset. Three committees of the Danish Parliament have heard testimony from Schiller Institute representatives on implementing Glass-Steagall to end global hyperinflation and chaos.

Glass-Steagall is being discussed at the highest levels of the Russian government as well. For example, Victor Ivanov, head of Russia's Federal Drug Control Service, has repeatedly urged the implementation of "the logic of the Glass-Steagall Act" as critical "to liquidate global drug trafficking" (c.f. November 18, 2011 presentation at the CSIS in Washington, D.C.)

The status of the legislative fight in seven countries follows:

UNITED STATES:

Within hours of the opening of the 113th Congress on Jan. 3, Rep. Marcy Kaptur (Democrat from Ohio) and Rep. Walter B. Jones (Republican from North Carolina) had reintroduced legislation to revive Franklin D. Roosevelt's Glass-Steagall Act. The official title of that bill, H.R. 129 reads: "To repeal certain provisions of the Gramm-Leach-Bliley Act and revive the separation between commercial banking and the securities business, in the manner provided in the Banking Act of 1933, the so-called 'Glass-Steagall Act', and for other purposes."

By the close of the previous 112th Congress, 85 Congressmen, representing both major parties, had signed onto H.R. 1489, the Glass-Steagall bill sponsored by Rep. Kaptur in the 2011-2012 Congressional session with the same title and intent.

H.R. 129 has been referred to the House Financial Services Committee, and its full text will be available soon.

A companion Glass-Steagall bill is expected soon in the U.S. Senate. The legislative battle to restore Glass-Steagall was kicked off in 2010 in the Senate, when Senators Maria Cantwell, Democrat of Washington state, and John McCain, Republican of Arizona, introduced an amendment to the fraudulent Dodd-Frank bank reform bill, reinstating Glass-Steagall. That effort was shot down by President Barack Obama, Treasury Secretary Timothy Geithner, and Wall Street, the sponsors of Dodd-Frank.

Since that time, a remarkable and growing force of state legislators and city councilmen, trade unions (including the AFL-CIO and the powerful machinists union), community bankers, farm institutions, and others have joined the LaRouche movement in vociferously demanding restoration of Glass-Steagall. Notable figures include former Federal Reserve Governor Thomas Hoenig, now Vice Chairman of the Federal Deposit Insurance Corporation, and former Citibank chairman Sandy Weill, who in July 2012 publicly declared that Glass-Steagall was necessary, even though he had led the fight to overturn it in 1999. Click here for U.S. resolutions and statements of support.

H.R. 129: http://beta.congress.gov/bill/113th-congress/house-bill/129
H.R. 1489: http://thomas.loc.gov/cgi-bin/bdquery/z?d112:h.r.1489:

UNITED KINGDOM:

In early July 2012, a group of leading financiers at the center of the British financial empire, the City of London, made an unmistakable policy shift toward promotion of full Glass-Steagall bank separation, by name, in recognition that not even they could survive the onrushing collapse of their system, and therefore the system itself had to be radically reorganized. An editorial in the Financial Times on July 4, 2012 summed up the shift:

"The government accepted the principle of separation last year when it endorsed the conclusions of the banking commission presided over by Sir John Vickers. This argued for an internal split rather than a total separation on the basis that the diversity of assets within a universal bank could be a source of strength at times of financial stress.

"While the FT supported those conclusions, we are now ready to go further. For all the diversification benefits, the cultural tensions between investment and retail banking can only be resolved by totally separating the two, on formal Glass-Steagall-style lines...."

No Glass-Steagall legislation has yet been introduced in the British Parliament, but the battle between its supporters and opponents continues to rage. The final report issued by the select Parliamentary Committee on Banking Standards on December 21, 2012 called for "electrifying" the government's proposed ring-fencing with the threat that, should that not suffice, full-scale separation would be required. Committee chair Conservative MP Andrew Tyrie said, in releasing the report:

"Parliament took the unprecedented step of creating its own inquiry into banking standards, in the wake of the first revelations about the Libor scandal. The latest revelations of collusion, corruption and market-rigging beggar belief. It is the clearest illustration yet that a great deal more needs to be done to restore standards in banking.... The Commission welcomes the creation of a ring-fence. It is essential that banks are restructured in a way that allows them to fail, whether inside or outside the ring-fence.... But the proposals, as they stand, fall well short of what is required... [W]e recommend electrification. The legislation needs to set out a reserve power for separation; the regulator needs to know he can use it."

A week later, on Dec. 27, the Financial Times reported the remarkable results of a poll taken by the Ipsos Mori public opinion firm at the end of 2012: More than 60% of the Members of the British Parliament, across all parties, "would support a full-scale separation in British banking, modeled on the Glass-Steagall reforms implemented in the 1930's in the United States." 66% of Tories polled supported it, as did 60% of Labour. Ipsos Mori CEO Ben Page said, "MPs are completely divided over a whole range of issues—including regulation of business generally, but are united in their view that retail and investment banking should be separated."

ITALY:

Four Glass-Steagall bills were introduced into the Italian parliament in 2012, between the Chamber of Deputies and the Senate. None of the bills were taken up by the respective Parliamentary Committees, and as the legislative term just ended, the bills will have to be reintroduced following the February 24-25, 2013 general elections. That is quite likely to occur, given that former Economics Minister Giulio Tremonti (Pdl, Popolo della Libertà), the sponsor of one of the bills and a candidate in the upcoming elections, has made the implementation of Glass-Steagall and creation of a national bank to ensure a sufficient supply of productive credit, a major focus of his electoral campaign. Since March 2012, the Northern League (Lega Nord) party has been collecting signatures on a petition ("Legge di Iniziativa Popolare") calling for passage of a Glass-Steagall law. The Lega Nord petition, and Tremonti in introducing his bill, both insist that it is necessary to "abandon the model of the so-called 'universal bank,' that is the DNA of systemic banks... In order to do this, it is necessary to introduce a new, updated version of the Glass-Steagall Act of 1933. In short, now as then, it is necessary to set up a firewall, to distinguish between ordinary banks and gambling banks, so that ordinary banks can no longer lend money from their account holders to the gambling banks, or buy their structured products. This distinction can and must be made instantaneously..."

Jan. 25, 2012: Sen. Oskar Peterlini (Svp, Sudtiroler Volkspartei) introduced Bill No. 3112 into the Italian Senate: "Delegation to the Government for the Separation of Ordinary and Speculative Banking Activities." It was co-sponsored by 11 Senators from the Svp, the Democratic Party (PD), the Lega Nord, and Italy of Values (Italia dei Valori).

LINK TO BILL: http://www.senato.it/service/PDF/PDFServer/BGT/00627218.pdf

March 15, 2012: The Lega Nord introduced Bill No. 5054 into the Chamber of Deputies: "Delegation to the Government for the Separation of the Commercial Banking Model from the Investment Banking Model." The same text was introduced on October 10, 2012 to the Senate by the Lega Nord, as Bill No. 3514.

LINK TO BILL: http://www.senato.it/service/PDF/PDFServer/BGT/00684050.pdf

May 18, 2012: Giulio Tremonti (former Economics Minister, Pdl - Popolo della Libertà) introduced Bill No. 5218 into the Chamber of Deputies: "Delegation to the Government for the Reform of the Banking System through the Separation of Productive Credit and Speculative Financial Activities."

LINK TO BILL: http://www.camera.it/_dati/leg16/lavori/schedela/apriTelecomando_wai.asp?codice=16PDL0060380

ICELAND:

On Oct. 24, 2012, Motion 239 for the separation of commercial banks and investment banks was reintroduced into Parliament, sponsored by 17 of its 63 members, representing all parties but one—the conservative Independence Party which did not co-sponsor the bill because it had its own motion for bank separation. The motion reads:

"Parliament resolves to entrust the Minister of Economic Affairs with the task of appointing a committee which is to revise the framework of banking services in Iceland in order to minimize—through the separation of commercial and investment banks—the risk of disruptions within the banking sector for the national economy. The committee is to examine the policy-making of neighboring countries in this regard, and to submit its proposals before Feb. 1, 2013."

The motion, debated and supported by representatives of all the parties, is now before the Economic Affairs and Trade Committee. As the government plans to put forward a more general proposal for a banking reform early this year, the co-sponsors of the motion want the government to include bank separation in their proposals for financial reforms before February 1. Then there will be time for a final vote in the Icelandic Parliament (Althingi) before the national Icelandic elections in April 2013.

In a message submitted to the Nov. 24-25, 2012 Schiller Institute conference on "A New Paradigm for the Survival of Civilization," the Deputy Speaker of the Icelandic Parliament (Althingi), Álfheidur Ingadóttir, called for "parliamentarians from around the world to familiarize themselves with [this] bank separation motion … and seriously consider taking similar actions." (http://www.schiller-institut.de/konferenz-november-2012/ingadottir-text_en.html)

LINK TO BILL: http://www.althingi.is/altext/141/s/0239.html

LINK TO PARLIAMENTARY DEBATE, OCTOBER, 24, 2012: http://www.althingi.is/altext/upptokur/_lidur=lid20121024T171358

BELGIUM :

Belgian Prime Minister Elio di Rupo (Socialist Party) told the Belgian daily La Libre Belgique (Sept. 1, 2012), when asked what kind of banking reform he was considering: "The financial assets circulating in the financial world aren't any longer, in a sufficient way, dedicated to the real economy. That isn't normal. There exists a demand, in Belgium as in other countries —for example in the United States— to break up the banks: on the one side the deposit banks, on the other the investment banks. Ideas are being worked out, in Belgium at the national bank and on the European level."

He elaborated: "The situation is untenable. It is madness. When [Belgian banks] Dexia, Fortis … had difficulties, they knocked on the door of the State. To help them, the Belgian State had no other choice then to lend money and increase its volume of debt. But the same banks now are giving us lessons and claim the state is overly indebted! … My conviction is that we have to arrive at breaking up the banks, to reduce their size and protect the assets of the citizens in a way we can avoid States having to intervene. Legislation has to be adopted which makes it so that the consequences of all risk behavior go to those engaging in it…"

Draft legislation (DOC 53/ 0166/001) was introduced in the House on Sept. 10, 2010, and reformulated and re-introduced on October 21, 2011 (DOC 1835/001) by Meyrem Almaci (Ecolo-Groen!), Georges Gilkinet (Ecolo-Groen!), Muriel Gerkens (Ecolo-Groen!) and Stefaan Van Hecke (Ecolo-Groen!). It remains filed before the Finance Committee.

LINK TO BILL: http://www.lachambre.be/FLWB/PDF/53/1835/53K1835001.pdf

SWITZERLAND:

In September 2011, Motion 11.3857, "Introduction of a Bank Separation System (Glass-Steagall)," was submitted to the Parliament Lower House (Nationalrat) by the Green Party. It mandates the government to undertake steps to introduce a Glass-Steagall bank separation reform, including conducting an analysis of the best way to implement it. This motion is before the Plenum.

LINK: http://www.parlament.ch/d/suche/seiten/geschaefte.aspx?gesch_id=20113857

SWEDEN:

On Oct. 3, 2011, Motion Fi234, "Commercial Banks and Investment Banks," was submitted by parliamentarians Valter Mutt and Annika Lillemets from Miljoepartiet (the Green Party). The motion referred to the U.S. 1933 Glass-Steagall Act,

and proposed: "The parliament declares to the government what is stated in the motion, to investigate a new law for the bank sector with the purpose of separating commercial banks from investment banks, and to limit the state bank guarantee to the former." The motion was defeated on June 19, 2012 by a vote of 280 to 41. All representatives of both the Green party and the Left Party voted in support of the motion.

LINK TO MOTION: http://www.riksdagen.se/sv/Dokument-Lagar/Forslag/Motioner/mot-201112Fi234-Affarsbanker_GZ02Fi234/?text=true

On Sept. 18, 2012, Motion Fi201, "Financial Regulation," was submitted by six parliamentarians from the Left Party (Ulla Andersson, Josefin Brink, Rossana Dinamarca, Christina Höj Larsen, Wiwi-Anne Johansson and Jacob Johnson), which proposes: "The parliament declares to the government what is stated in the motion, that it speedily mandate a parliamentary investigation for the purpose of preparing a bill that separates traditional banking activities from so-called investment activities." The motion has been referred to the Financial Committee, where it will be prepared in meetings on March 5 and 26, 2013.

LINK TO MOTION: http://www.riksdagen.se/sv/Dokument-Lagar/Forslag/Motioner/Finansiell-reglering_H002Fi201/?text=true

On Oct 5, 2012, Motion Fi298, "Stabilize the Banking and Finance Sector," was submitted by parliamentarians Valter Mutt, Annika Lillemets and Jan Lindholm from Miljoepartiet (the Green party). The motion refers to the U.S. 1933 Glass-Steagall Act, and proposes: "The parliament declares to the government what is stated in the motion, that it investigate a new law for the Swedish bank sector, for the purpose of separating commercial banks from investment banks, and limiting state bank guarantees to the former." The motion has been referred to the Financial Committee where it will be prepared in meetings on March 5 and 26, 2013.

LINK TO MOTION: http://www.riksdagen.se/sv/Dokument-Lagar/Forslag/Motioner/Stabilisera-bank—och-finansse_H002Fi298/?text=true

Restore Glass-Steagall

Glass-Steagall is the indispensible first step to global economic recovery. It will immediately hault the onset of hyperinflation, remove government committment from toxic debts, end too-big-to-fail, and force separation of commercial banking functions from investment banking functions.

Legislation to Restore Glass-Steagall, "The Return to Prudent Banking" Act, was introduced into the 112th congress as HR1489. It garnered massive institutional support and 84 co-sponsors in the house of representatives. **"The Return to Prudent Banking" Act has been re-introduced in the 113th Congress as HR-129.**

Text of HR-129 http://thomas.loc.gov/cgi-bin/query/z?c113:H.R.129:

Support for HR-129 ***Updated*** http://larouchepac.com/hr129support

Support for Previous Bill (HR1489) http://larouchepac.com/node/19643

H.R.129 -- Return to Prudent Banking Act of 2013 (Introduced in House – IH)

113th CONGRESS
1st Session

H. R. 129

IN THE HOUSE OF REPRESENTATIVES

January 3, 2013

Ms. KAPTUR (for herself and Mr. JONES) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To repeal certain provisions of the Gramm-Leach-Bliley Act and revive the separation between commercial banking and the securities business, in the manner provided in the Banking Act of 1933, the so-called `Glass-Steagall Act', and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `Return to Prudent Banking Act of 2013'.

SEC. 2. GLASS-STEAGALL REVIVED.

(a) Wall Between Commercial Banks and Securities Activities Reestablished- Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828), as amended by section 615(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by adding at the end the following new subsection:

`(aa) Limitations on Security Affiliations-

`(1) PROHIBITION ON AFFILIATION BETWEEN INSURED DEPOSITORY INSTITUTIONS AND INVESTMENT BANKS OR SECURITIES FIRMS- An insured depository institution may not be or become an affiliate of any broker or dealer, any investment adviser, any investment company, or any other person engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes, or other securities.

`(2) PROHIBITION ON OFFICERS, DIRECTORS AND EMPLOYEES OF SECURITIES FIRMS SERVICE ON BOARDS OF DEPOSITORY INSTITUTIONS-

`(A) IN GENERAL- An individual who is an officer, director, partner, or employee of any broker or dealer, any investment adviser, any investment company, or any other person engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes, or other securities may not serve at the same time as an officer, director, employee, or other institution-affiliated party of any insured depository institution.

`(B) EXCEPTION- Subparagraph (A) shall not apply with respect to service by any individual which is otherwise prohibited under such subparagraph if the appropriate Federal banking agency determines, by regulation with respect to a limited number of cases, that service by such individual as an officer, director, employee, or other institution-affiliated party of any insured depository institution would not unduly influence the investment policies of the depository institution or the advice the institution provides to customers.

`(C) TERMINATION OF SERVICE- Subject to a determination under subparagraph (B), any individual described in subparagraph (A) who, as of the date of the enactment of the Return to Prudent Banking Act of 2013, is serving as an officer, director, employee, or other institution-affiliated party of any insured depository institution shall terminate such service as soon as practicable after such date of enactment and no later than the end of the 60-day period beginning on such date.

`(3) TERMINATION OF EXISTING AFFILIATION-

`(A) ORDERLY WIND-DOWN OF EXISTING AFFILIATION- Any affiliation of an insured depository institution with any broker or dealer, any investment adviser, any investment company, or any other person, as of the date of the enactment of the Return to Prudent Banking Act of 2013, which is prohibited under paragraph (1) shall be terminated as soon as practicable and in any event no later than the end of the 2-year period beginning on such date of enactment.

`(B) EARLY TERMINATION- The appropriate Federal banking agency, after opportunity for hearing, may terminate, at any time, the authority conferred by the preceding subparagraph to continue any affiliation subject to such subparagraph until the end of the period referred to in such subparagraph if the agency determines, having due regard for the purposes of this subsection and the Return to Prudent Banking Act of 2013, that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices and is in the public interest.

`(C) EXTENSION- Subject to a determination under subparagraph (B), an appropriate Federal banking agency may extend the 2-year period referred to in subparagraph (A) from time to time as to any particular insured depository institution for not more than 6 months at a time, if, in the judgment of the agency, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed 1 year.

`(4) DEFINITIONS- For purposes of this subsection, the terms `broker' and `dealer' have the same meanings as in section 3(a) of the Securities Exchange Act of 1934 and the terms `investment adviser' and `investment company' have the meaning given such terms under the Investment Advisers Act of 1940 and the Investment Company Act of 1940, respectively.'.

(b) Prohibition on Banking Activities by Securities Firms Clarified- Section 21 of the Banking Act of 1933 (12 U.S.C. 378) is amended by adding at the end the following new subsection:

`(c) Business of Receiving Deposits- For purposes of this section, the term `business of receiving deposits' includes the establishment and maintenance of any transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act).'.

(1) IN GENERAL- The Congress ratifies the interpretation of the paragraph designated the `Seventh' of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24, as amended by section 16 of the Banking Act of 1933 and subsequent amendments) and section 21 of the Banking Act of 1933 (12 U.S.C. 378) by the Supreme Court of the United States in the case of Investment Company Institute v. Camp (401 U.S. 617 et seq. (1971)) with regard to the permissible activities of banks and securities firms, except to the extent expressly prescribed otherwise by this section.

(2) APPLICABILITY OF REASONING- The reasoning of the Supreme Court of the United States in the case referred

to in paragraph (1) with respect to sections 20 and 32 of the Banking Act of 1933 (as in effect prior to the date of the enactment of the Gramm-Leach-Bliley Act) shall continue to apply to subsection (aa) of section 18 of the Federal Deposit Insurance Act (as added by subsection (a) of this section) except to the extent the scope and application of such subsection as enacted exceed the scope and application of such sections 20 and 32.

(3) LIMITATION ON AGENCY INTERPRETATION OR JUDICIAL CONSTRUCTION- No appropriate Federal banking agency, by regulation, order, interpretation, or other action, and no court within the United States may construe the paragraph designated the `Seventh' of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24, as amended by section 16 of the Banking Act of 1933 and subsequent amendments), section 21 of the Banking Act of 1933, or section 18(aa) of the Federal Deposit Insurance Act more narrowly than the reasoning of the Supreme Court of the United States in the case of Investment Company Institute v. Camp (401 U.S. 617 et seq. (1971)) as to the construction and the purposes of such provisions.

SEC. 3. REPEAL OF GRAMM-LEACH-BLILEY ACT PROVISIONS.

(a) Financial Holding Company-

(1) IN GENERAL- Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by striking subsections (k), (l), (m), (n), and (o).

(2) TRANSITION-

(A) ORDERLY WIND-DOWN OF EXISTING AFFILIATION- In the case of a bank holding company which, pursuant to the amendments made by paragraph (1), is no longer authorized to control or be affiliated with any entity that was permissible for a financial holding company, any affiliation by the bank holding company which is not permitted for a bank holding company shall be terminated as soon as practicable and in any event no later than the end of the 2-year period beginning on such date of enactment.

(B) EARLY TERMINATION- The Board of Governors of the Federal Reserve System, after opportunity for hearing, may terminate, at any time, the authority conferred by the preceding subparagraph to continue any affiliation subject to such subparagraph until the end of the period referred to in such subparagraph if the Board determines, having due regard to the purposes of this Act, that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices, and is in the public interest.

(C) EXTENSION- Subject to a determination under subparagraph (B), the Board of Governors of the Federal Reserve System may extend the 2-year period referred to in subparagraph (A) above from time to time as to any particular bank holding company for not more than 6 months at a time, if, in the judgment of the Board, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed 1 year.

(3) TECHNICAL AND CONFORMING AMENDMENTS-

(A) Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by striking subsection (p).

(B) Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended--

(i) by striking subparagraph (E) of paragraph (2); and

(ii) by striking paragraphs (3), (4), and (5).

(C) Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by striking subsection (g).

(D) The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by striking section 45.

(E) The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by striking section 10A.

(F) Subtitle B of title I of the Gramm-Leach-Bliley Act is amended by striking section 114 (12 U.S.C. 1828a) and section 115 (12 U.S.C. 1820a).

(b) Financial Subsidiaries Repealed-

(1) IN GENERAL- Section 5136A of the Revised Statutes of the United States (12 U.S.C. 24a) is amended to read as follows:

`SEC. 5136A. [REPEALED].'.

(2) TRANSITION-

(A) ORDERLY WIND-DOWN OF EXISTING AFFILIATION- In the case of a national bank which, pursuant to the amendments made by paragraph (1), is no longer authorized to control or be affiliated with a financial subsidiary as of the date of the enactment of this Act, such affiliation shall be terminated as soon as practicable and in any event no later than the end of the 2-year period beginning on such date of enactment.

(B) EARLY TERMINATION- The Comptroller of the Currency, after opportunity for hearing, may terminate, at any time, the authority conferred by the preceding subparagraph to continue any affiliation subject to such subparagraph until the end of the period referred to in such subparagraph if the Comptroller determines, having due regard for the purposes of this Act, that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices and is in the public interest.

(C) EXTENSION- Subject to a determination under subparagraph (B), the Comptroller of the Currency may extend the 2-year period referred to in subparagraph (A) above from time to time as to any particular national bank for not more than 6 months at a time, if, in the judgment of the Comptroller, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed 1 year.

(3) TECHNICAL AND CONFORMING AMENDMENT-

(A) The 20th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 335) is amended by striking the last sentence.

(B) The Federal Deposit Insurance Act is amended by striking section 46 (12 U.S.C. 1831w).

(4) CLERICAL AMENDMENT- The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended by striking the item relating to section 5136A.

(c) Definition of Broker- Section 3(a)(4)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)(B)) is amended--

(1) by striking clauses (i), (iii), (v), (vii), (x), and (xi); and

(2) by redesignating clauses (ii), (iv), (vi), (viii), and (ix) as clauses (i), (ii), (iii), (iv), and (v), respectively.

(d) Definition of Dealer- Section 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)(C)) is amended--

(1) by striking clauses (i) and (iii); and

(2) by redesignating clauses (ii) and (iv) as clauses (i) and (ii), respectively.

(e) Definition of Identified Banking Product- Subsection (a) of section 206 of the Gramm-Leach-Bliley Act (15 U.S.C. 78c note) is amended--

(1) by inserting `and' after the semicolon at the end of paragraph (4);

(2) in paragraph (5)(B)(ii), by striking `; or' and inserting a period; and

(3) by striking paragraph (6) and all that follows through the end of such subsection.

(f) Definition of Activities Closely Related to Banking-

(1) IN GENERAL- Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking `the day before the date of the enactment of the Gramm-Leach-Bliley Act' and inserting `January 1, 1970'.

(2) PROVISION ALLOWING FOR EXCEPTIONS AFTER REPORT TO THE CONGRESS- Subsection (j) of section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(j)) is amended to read as follows:

`(j) Approval for Certain Post-1970 Subsection (c)(8) Activities-

`(1) IN GENERAL- Notwithstanding the limitation of the January 1, 1970, approval deadline in subsection (c)(8), the Board may determine an activity to be so closely related to banking as to be a proper incident thereto for purposes of such subsection, subject to the requirements of this subsection and such terms and conditions as the Board may require.

`(2) GENERAL STANDARDS- In making any determination under paragraph (1), the Board shall consider whether performance of the activity by a bank holding company or a subsidiary of such company can reasonably be expected to result in a violation of section 18(aa) of the Federal Deposit Insurance Act, section 21 of the Banking Act of 1933, or the spirit of section 2(c) of the Return to Prudent Banking Act of 2013, and other possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

`(3) REPORT AND WAIT- No determination of the Board under paragraph (1) may take effect before the end of the 180-day period beginning on the date by which notice of the determination has been submitted to both Houses of the Congress together with a detailed explanation of the activities to which the determination relates and the basis for the determination, unless before the end of such period, such activities have been approved by an Act of Congress.'.

(g) Repeal of Provision Relating to Foreign Banks Filing as Financial Holding Companies- Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by striking paragraph (3).

SEC. 4. REPORTS TO THE CONGRESS.

(a) Reports Required- Each time the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or another appropriate Federal banking agency makes a determination or an extension under subparagraph (B) or (C) of paragraph (2) or (3) of section 18(aa) of the Federal Deposit Insurance Act (as added by section 2(a)) or subparagraph (B) or (C) of subsection (a)(2) or (b)(2) of section 3, as the case may be, the Board, Comptroller, or agency shall promptly submit a report of such determination or extension to the Congress.

(b) Contents- Each report submitted to the Congress under subsection (a) shall contain a detailed description of the basis for the determination or extension.

NATIONAL BANKING :

We present here a February 2013 document by American author Michael Kirsh entitled Draft Legislation to Restore the Original Bank of the United States. The stated purpose of this document is to return the U.S. economy to the principle of U.S. Credit system. We reprint the full document here to inspire nations around the world to commit themselves to the principles underlie a policy of productive public credit.

- Introduction to Draft Legislation to Restore the Original Bank of the United States
- Summary of the Legislation
- Draft Legislation

Introduction to Draft Legislation

Only in brief periods of United States history has the government used its powers to create an economy operating according to the time constraints of growth, unifying the physical economy with the financial system, and thus allowing nation-building to be guided by the intent of future productivity. Only for brief periods—in 1789-1801, 1823-1830, 1861-1869, and 1933-1944—when the economy was operating under the guidance of a credit system policy, has the U.S. economy been properly conducted in accordance with the design of the Constitution.

In all other periods, nation-building was internally or externally attacked, and U.S. policy was subverted by monetarism. In each mentioned period, the credit system of the United States has been the means to break from that control, and to expand and develop the United States and other nations. It has been precisely the brilliant success and effectiveness of the U.S. credit system which has made it the object of attack and obfuscation.Monetarism constantly looks backward to the past, with the aim of monetizing the results of past production, rather than the creation of new wealth. The credit system operates on confidence in the future. Rather than depending on past production, or stores of wealth, it creates wealth by tying the future completion of projects, and production of goods and manufactures, to the original promise. The currency of monetarism is formed by the liquidation of present goods into money. In the credit system, rather than the products of growth, growth itself is the currency.

Monetarism views debts as a burden to be immediately dissolved, and demands their payment in the present, at whatever expense to the future, and waste of the past. Within the credit system, debts are not self-evident objects; the action which generates value through the process of their extinguishment is included in their creation.

Monetarism measures all value by capital and labor, and gives to money a self-evident value. In the credit system, the measure of value is not capital or money, but the mental powers which increase the productive power of labor, which, in turn, increase productive output, thereby increasing the value of goods, labor, and capital. Productivity is therefore the measure of the value of capital. With increases of productivity, the cost of production decreases, and the value of currency increases.

Money can be converted into capital and goods, but credit, though itself not capital, increases the efficiency of capital. Credit makes the same quantity of capital or labor more efficient and productive; it causes an acceleration of wealth, a potential which surrounds existing capital at all times, and puts it into action. The value of national economies is thus defined by the organization of the relations of existing capital and the potential drawn forth by credit.

The credit system thus views the total economy as a productive system, and its essential aim is to promote increases in total efficiency and the productive powers of labor through investment in technological progress. It is expressed as a concordance between the laws of the representatives of the people, and the development of resources and industry of those people, defining a paradigm outside the imposed axioms and rules of monetarism.

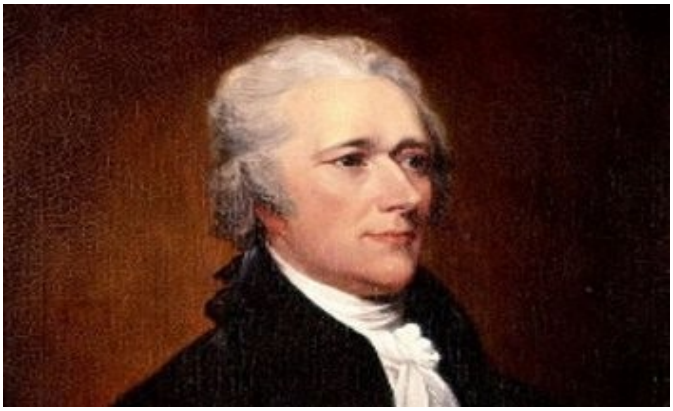
In the following pages, the key principles of the U.S. credit system will be demonstrated historically, and the necessary understanding to correctly administer its revival, through the included draft legislation, obtained.

Hamilton’s Establishment of a Sound United States

The U.S. credit system is not an optional feature, or an add-on to the Constitution. The necessity to organize a credit system was the chief driving cause for the creation of the Constitution.

The sovereignty gained with the Declaration of Independence gave the Congress the implied authority to control the interactions of trade with other nations to the benefit of domestic industry, to create a uniform currency among the states, to uphold the credit of the government by assuming all the powers requisite to the effectual administration of finances, and to make the states one unified economy. However, it was bold and immortal act of Hamilton, to use those implied powers.

During the war, the Bank of North America, formed by Robert Morris, Alexander Hamilton, and Benjamin Franklin, created an alternative currency to the depreciated continentals, and credit for the government to secure victory in the war from 1781-1783. But the lack of union of the states did not provide the bank proper funding as a means to unite the states and fund the public debt. The great period of bankruptcy during and after the Revolutionary War, led Robert Morris, Alexander Hamilton, James Wilson, Gouverneur Morris, Benjamin Franklin, George Washington, and other founders to a shared commitment: A new constitution founded in accord with the Declaration was required, with sufficient powers agreed to by the people, rather than those imposed by a confederation of state sovereignties.



The creation of theUnited States as a sovereign nation was made possible by Alexander Hamilton's establishment of an economy based on a credit system, and not a monetary system, asexisted under the imperial powers against which our revolution was successfully fought.Portrait of Hamilton by John Trumbull (1806)

The Union was successfully formed only by Hamilton's conversion of monetary debts and a monetary currency into a credit currency, tying the nation's future to the success of all the states, and translating the action of making good on the debts, into the currency itself. The intention to make good on the debts defined the currency, the economy became a driver to build the nation, and the interests of the nation were fused with the Bank and that currency. The currency was not abstracted. In addition, the creation of a new bank, in the same action as funding the debt, through the powers to protect and encourage manufactures, gained in the first act of Congress, created a financial system tied directly to the success of U.S. industry and internal improvements, as well as to the value and funding of the public debt. [1]

By these measures, Hamilton successfully transformed the United States from a money system, into a credit system, as the essential principle of credit is not government notes vs. a currency of gold and silver, but a unification of the powers of the economy behind the currency, such that the currency becomes a reflection of future growth.

The key feature of the Bank of the United States was a direct lending institution for economic growth, determining the guiding boundaries of the economy—not performing lending or discounts mediated by the concerns of commercial banks operating according to mathematical formulas about how quickly the economy should grow, according to supply and demand. It was a legislated institution, not separate from the rest of economy, but at its head. It linked private banking, and the interests of industrial investors and men of trade, directly to the economy.

By funding the national debt with import duties and domestic taxes, and by other powers of Congress, the debt becamethe basis for a currency of bank credit and bank notes circulating upon the credit of those funded debts, which made up most of the Bank's capital stock. Various debt certificates issued during the war were reissued as a repre sentation of the new power of government in action, while the branches of the Bank accepted the new debt certificates as deposits and lent on the credit of expected manufacturing and industry. The provision for funding the debt of the United States threw into circulation an immense amount of capital, which gave life and activity to business. Hamilton wrote to Congress, in his 1791 Report on the Subject of Manufactures, of the effects of his system :

> In a sound and settled state of the public funds, a man possessed of a sum in them, can embrace any scheme of business, which offers, with as much confidence as if he were possessed of an equal sum in coin. This operation of public funds as capital, is too obvious to be denied. Though a funded debt is not in the first instance, an absolute increase of Capital, or an augmentation of real wealth; yet by serving as a new power in the operation of industry, it has within certain bounds a tendency to increase the real wealth of a Community.

Other than James Madison, James Wilson and Gouverneur Morris were the most activemembers of the Constitutional Convention. Wilson wrote the first draft of the Constitution.G. Morris wrote the Preamble, and rewrote the Constitution, with Hamilton, in its finalform. Both worked with Robert Morris, Alexander Hamilton, and Benjamin Franklin in theformation and direction of the Bank of North America, upholding the credit of theContinental Congress through the Revolutionary War. Sculpture by Stuart Williamson

Under Hamilton, money became subservient to credit, and the currency in

circulation was almost entirely that which was tied to the future value of funded debt. Gold and silver fell into the background, and people preferred to use credit—the national bank notes, and notes of other state banks that rose into place to facilitate the growth of internal regions. Money, as such, defined as gold and silver, was a mere fraction of what was used for settling accounts, and as the banking system developed, gold and silver became relegated to .01% of all payments made in commerce and industry, and 1% of the value of transactions.

Hamilton's credit-based currency put into motion the active capital of the country. Reflecting on the system he had constructed, he wrote in his final *Report on Public Credit* in 1795:

> Public Credit .... is among the principal engines of useful enterprise and internal improvement. As a substitute for capital, it is little less useful than gold or silver, in agriculture, in commerce, in the manufacturing and mechanic arts. One man wishes to take up and cultivate a piece of land; he purchases upon credit, and, in time, pays the purchase money out of the produce of the soil improved by his labor. Another sets up in trade; in the credit founded upon a fair character, he seeks, and often finds, the means of becoming, at length, a wealthy merchant. A third commences business as manufacturer or mechanic, with skill, but without money. It is by credit that he is enabled to procure the tools, the materials, and even the subsistence of which he stands in need, until his industry has supplied him with capital; and, even then, he derives, from an established and increased credit, the means of extending his undertakings.

The purpose of Hamilton's policies, properly understood, is not monetary, but industrial and scientific. Hamilton viewed the currency not as wealth itself, but the constitutional responsibility of government to facilitate the scientific ingenuity and spirit of enterprise. In Hamilton's Report on Manufactures, he laid down the essential principle of economy as a physical system of productivity. The primary measure of value is not capital, but the mental powers which increase the productive powers of labor, and thus increase the value of capital through increasing productivity and production.

The determination of the value of goods, of labor, and of production is therefore those increases or decreases in therates of productivity.

The credit system thus formed, augmented the means and ingenuity of the citizens to promote their own and the public welfare. The aim within the credit system was not to produce for the purpose of obtaining money, but to obtain credit as the means to increase the powers of labor. Innovations and inventions increase the profit of loans: They are not mechanical. Innovations further increase the productivity of the economy. Hamilton's action of turning monetary debtsinto credit debts became more valuable to the growth of the economy, than if the full monetary debt had been forgiven.

Hamiltonian economist Robert Hare wrote in 1810:

> Under a strict system of law ....credit ...is preferable to money. The man who enjoys the one, has nearly an equal facility with him who commands the other, in the purchase of materials for trade, or manufacture. But the stimulus to industry, or exertion, is very different in the two cases. The mechanic who has a hundred dollars, can live without work so long as it lasts. He may spend the whole, or part, in his pleasures, or for his sustenance, and may work proportionally less. But the mechanic who can command credit to the amount of a hundred dollars, has nearly the same capacity to earn money, as the other; but his privilege will not sustain him in idleness, or dissipation. It can only be of use to him, through the medium of industry.
>
> Prone in common with all substantial and hereditary wealth, to subside into channels rather ample than numerous, the precious metals flow through a country in large streams, which carry out as much as they bring in, and contribute more to partial magnificence, than to general fertility: while credit, springing up in innumerable self-created rills, diffuses a fertilizing influence throughout every region.

It is essential to comprehend that the U.S. credit system is not merely a well-regulated currency in which credit is available through banks, but is the total organization, by the mind, of economy, toward growth. This is seen in the distinct policy which makes up all of Hamilton's reports on public credit, especially his final review in 1795. [3]

Hamilton's management of the Treasury shows an unending devotion to the management of finances according to this guiding principle: that the outcome of any debt payments, new Congressional laws, and expenditures, had to lead to an increase of productivity.

The balance of payments of the debt coordinated through the Bank was continuously organized according to the principle of maintaining a diversion of surplus and revenues toward increasing economic growth.

According to the first act of Congress following his first *Report on Public Credit*, no debt of the government was to be handled as a self-evident, monetary debt, but was tied together with a future income related to increases in productivity, through the economy regulated and facilitated by the Bank.

Under President Thomas Jefferson and Treasury Secretary Albert Gallatin, from 1801 onward, the economy operated in explicit opposition to Hamilton's system; as before the Constitution, the U.S. economy became a pawn of foreign interests.

Benjamin Franklin's protégé Mathew Carey, Portrait by John Neagle (1825)

Gallatin had been the chief domestic opponent in Congress of Hamilton's management of the Federal budget toward productive increases, and the utilization of the debt as an instrument of public credit. He, in general, opposed Hamilton's entire program, and had voted against the Constitution in 1789, notably those powers of Article 1, Section 8, which provided economic sovereignty from the British Empire. Gallatin radically changed the policy of the Treasury Department and its relation to the Bank, directing the surpluses of economic growth toward the present and past, paying off the national debt as quickly as possible. The product of the banking system, and the increases of national income from productivity which had only been possible through the deft arrangements of Hamilton, were now thrown toward immediate extinguishment of the debt, cutting the ties of the economy to the future.

Therefore, although the Bank of the United States still existed, it was no longer the U.S. credit system.

Amidst the more systemic decline in productivity thus generated, an outstanding feature was the depletion of the Navy and its virtual non-existence in the lead-up to the War of 1812. [4]

The Jefferson Administration laid the foundation for the later, more radical "simple machine" of government of the Andrew Jackson Administration, which finally did away entirely with Hamilton's system, a process facilitated by Aaron Burr, John Randolph, and others, reshackling the economy to the arbitrary axioms of monetarism and British East India Company interests. [5]

Mathew Carey's Revival of Hamilton's System

Under the leadership of one of our greatest men, Mathew Carey—the Ben Franklin protégé who mastered the principles of economy in Hamilton's Report on Manufactures—a team was organized to restore the Hamiltonian economy, of which the founding of a new Bank of the United States under James Madison was a part.[6] However, the existence of a Bank of the United States alone does not equate to a national credit system, and the reestablishment of Hamilton's system was only successful with the direction of the Bank by the Hamiltonian, Nicholas Biddle. Beginning in 1823, and working under the leadership of Mathew Carey, Biddle restored a functioning national currency, from the effects of speculation caused by the destruction of Hamilton's system.[7]

Nicholas Biddle, in1823, established the Second Bank of the United States, on Hamiltonian principles. Portrait by William Inman (ca. 1830s)

As under Hamilton, from 1823 on, the system was managed to constantly make credit agreements, not liquidate wealth for the present. Biddle's principle was to maintain the economy's operations within the time scale of the credit system, rather than allowing an excess demand for immediate payment, in particular immediate payment in money. This allowed productive surpluses of all parties to be constantly absorbed into future growth and productive investment, expressed by greater facility of credit, not as idle wealth merely for increased consumption, i.e., the bane of money. The domestic economy was able to grow in relation to its productive power rather than by artificial controls.

The value of the currency was determined by increased rates of production, and the facility and security of investment of expanded production further consolidated credit. As more agricultural land was developed, as more manufacturing facilities became established, and as new transportation networks for agricultural produce and coal for manufacturing facilities were completed, the amount of bank credit that could safely be put into circulation through loans and discounts increased in proportion, doubling and tripling over that decade. The currency bore a proper relation to the real business

and exchanges of the country, being issued only to those whose credit entitled them to it, increasing with the wants of the active operations of society, and diminishing, as these subsided, into comparative inactivity. The Bank currency was firmly backed by the productive sector, and its value increased, as the cost of production decreased.

This was the essential principle of paper credit, as opposed to paper currency, since no currency is substantial which does not unite the resources and growth of the real economy with its establishment and circulation. In contrast, central bank fiat currencies, as at present, become tools of subversion of national sovereignty, rather than national advancement.

Since the Bank had an established capability to direct and coordinate interactions of productive growth based on the credit of their completion, nearly any valid enterprise was facilitated through the credit of the Bank of the United States, in coordination with state and Federal governments, provided it was within the means of the regulated currency.

Within a few years of Biddle's reorganization of the Bank, the confidence of the people that the Bank of the United States would now be the dependable means for economic investment, gave the impetus to enterprise which led to the great expansion of canals and industries. Armies of industrious and capable men were encouraged to commence operations as merchants, manufacturers, and farmers, without sufficient capital at the outset to support their enterprise, leaning for aid upon the credit system. It was only because of this new confidence that new lands were settled with such speed, manufactures increased with such spirit, and canal projects built with such scope.

With the growth of the credit system, fewer and fewer payments were settled in cash transactions. As with Hamilton's maxim for public credit, that the creation of a debt should always be accompanied by the means of its extinguishment, so in all commercial banking under the Bank of the United States, the same principle was increasingly made to apply: that no self-evident debts be created, but credit agreements which ensure that circulation is returned by the debtors to the banks at a rate equal to that at which it is issued.

Under the proper functioning of the credit system, the meaning of debt was transformed. The debts of farmers were paid by next season's produce; the debts of merchants were paid through subsequent sales; and on the larger scale, the debt of states for infrastructure were paid by the future development of industries. The debt created for internalimprovements, and personal debts in farming and manufacturing, were simply part of the growing economy under the credit system. The states which had incurred large debts for canals and roads planned to develop iron andcoal industries and new transportation routes for the products of the new lands. These newly developed lands and industries along the infrastructure routes increased income ten times over the initial investment.

The Imposition of Monetarism

After the successful demonstration of the Hamiltonian credit system under the Second Bank of the United States, the only desire for radical l*aissez-faire* banking and trade came from British agents, or those with allegiance to trade and commerce, rather than national industry. It was not an honest difference of view or opinion of the Constitution.

The controllers of Andrew Jackson intentionally destroyed the credit system, and the basic principles of physical productivity were replaced with theories of a hard-money currency in order to justify drastically reducing circulation.[8] Gold and silver were designated the true riches for the population to seek after; productivity was no longer deemed a measure of value; and it was preached that the nation, as a single economy, was not a valid reference point. Individualproperty and the "liberty" of wealthy land and slave owners were declared sacred. The fallacy of the "laws of the market" was imposed, supplanting the common good. The Martin Van Buren Administration demanded debts be paid in the present, at whatever expense to the future, and waste of the past. Valid credit agreements were attacked as spendthrift and the cause of the crisis, which was in fact created intentionally by the controllers of the Jackson Administration, and thereafter replaced with austerity as a means to appease "the market."

Under the imposed money system, debts are viewed in the present, with an abstract amount of debt and money deemed "proper" for the market, according to the false doctrine that the market will generate by itself the proper supply and demand for production, without a program of nation-building.

Legal tender issued by Abraham Lincoln was circulated on the same fundamental hypotheses as the notes of the Bank of the United States. Once again, under the Andrew Johnson Administration, Treasury Secretary Hugh McCulloch, working with Lincoln-deserter and British agent David Wells, artificially contracted Lincoln's legal tender, in opposition to the actual ability and needs of industry. Repeating exactly Jackson's and Van Buren's claims, McCulloch and his followers in thUlysses S. Grant Administration mocked the people, saying that the "over-production" of "the market" had caused the crisis, and that the previous economy had been excessive. The economy was thus sacrificed on the altar of monetarism.

Such, and later contractions and crises, as that in the 1870s, again after McKinley, again during 1929-1932, again, and again, and again, are caused by the intentional destruction of the industrial economy and associated credit system. Each time, sophistical methods, akin to the feigned innocence of Jackson and Van Buren, are used to claim other causes.

The General Welfare and The Declaration of Independence

Contrary to the myth of Andrew Jackson, the credit system of the Bank of the United States broke up the aristocracy of wealth, as idle capital was made available in loans and discounts, profitable to all parties. The credit system of the Bank of the United States meant that any citizen could compete with a wealthy capitalist; that it was the right of anyone with a spirit of enterprise to receive the means to increase productivity.

The Declaration of Independence demanded Hamilton's credit system, for it is the intention of inalienable equal rights that the man qualified for commercial pursuits should embark upon them using capital obtained on interest; the man of skill in the manufacturing arts should have that scope given to his enterprise and usefulness which a confidence established between him and the money-lender is so well calculated to carry out; the farmer should strive to become the owner of the soil he cultivates by a purchase upon credit, depending upon the products of his labors to discharge the debt.

Guaranteeing equal rights is not simply providing a safety net. It is not equally distributing money. Equal rights means the ability to contribute to the productivity of the nation, and thus the right to go into debt for that purpose.

Government cannot create wealth directly by printing and coining money, because wealth is properly measured as the productivity of the economy. But a sovereign government can create a central institution which regulates the means of exchange of credit for the productivity of the economy. The responsibility, duty, and authority of elected representatives is to provide a vision for the country—not to control every operation, but to create the means to steer the ship of state to wards national prosperity. Through the Hamiltonian credit system, the government thereby fulfills its responsibility by creating the means to enable the right.

A credit system, whose aim is to advance the productivity of the national economy, will uplift the conditions of life for the entire population, and lead to increasing skill-levels and productivity in the workforce.

With the right, the spirit of enterprise becomes animated through credit agreements. An increasing number of all transactions becomes based on the modes of payment of the credit system, as the freedom and security of a person's property becomes further established. Since the conduct of the worker ensures his ability to obtain the aid of capital, rendering his labor more productive and his condition improved, there are an increasingly large number of incentives for Americans to apply their property productively toward future aims. The moral character of citizens improves, improving in turn the efficiency of credit. In this way, the moral nature of society gives the credit system its power.

Without the credit system as intended and utilized by the Founders of the Constitution, Americans have always suffered an irony: that with a banner of equal rights waving over their heads, the demand to pay on the basis of existing or pastwealth imprisons enterprise, disables the ability, and removes the right, to increase the power of their labor As American System economist William Elder put it in 1871:

A society without a credit system is simply savage. A business economy, whose capital should be limited to material property, would be a despotism of property ...as dead as the insensate earth, where all that is precious is in the fixity of crystals, and all that is common, is as incapable as the rocks in which the gold and silver are coffined.

The Lesson of the 1930s

There is one crucial lesson to be drawn from the Franklin Roosevelt Administration's approximation of the Bank of the United States credit principle. It was necessary for the Roosevelt Administration to not merely reorganize the banks, but to establish a principle of credit, which did not otherwise exist. His administration reorganized the banks, not for the banks per se, but to make them capable of operating within the new context of the operating credit principle for which

he was aiming, with a plan for "Credit Banks for Industry," which eventually became the expanded Reconstruction Finance Corporation (RFC). The 1934 Industrial Advances Act and subsequent RFC amendments and credit policies were a commitment to the success of the industrial recovery, from the decades of failed economic policies, which were brought about through the consolidation of Wall Street's and London's control over U.S. policy.

Understood correctly, Roosevelt's direct lending for industry, beginning in 1934, was not intended as a special function added to the economy, but as the building of a new economy, since the former economy had been destroyed by preceding decades which had replaced long-term credit agreements for industrial advancement with speculation. He achieved a functioning credit system with an increasing amount of the financial system linked to the economy, rather than linked to banks, which the Federal Reserve system had served.

Return to the Original Bank of the United States Credit System

The U.S. credit system defines an economy bounded by increasing rates of productivity facilitated by credit lending, in which the rest of commerce takes second place. It is based on a currency in circulation representing future value, which ties the long-term intention of the government to the ability to carry out that intention. It provides for a sufficient medium of future payments, governed by the chief institution of credit.

The credit system's currency allows the nation the leverage of capital based on how much physical trade it can support. The amount of currency and credit is regulated by this crucial principle, not by any mathematical formula. Industrial credit policy may err, but it can never be excessive under the leadership of U.S. economists in the tradition of the American System, nor has it ever been.

This lesson must be learned now, or the nation will surely perish through lack of attendance to simple laws of productivity, and by allegiance to axioms completely foreign to our great legacy. We are a nation impossibly chopped into pieces. Under Barack Obama, and largely since President John Kennedy, the bold action to put the nation before the interests of Wall Street, and foreign and supranational trade, has departed from the halls of government. Credit implies government vigor, power, and authority. The failure to use the authority of government will mean the loss of the nation. What is at stake is not a question of "limited government" or "big government," not a question of Democrat or Republican. The credit system is a matter of national prosperity.

Thankfully, the myths of monetarism have been thoroughly refuted countless times by such among our famed 18th- and 19th-Century economists as Benjamin Franklin, Alexander Hamilton, Mathew Carey, Daniel Raymond, Henry Carey, William Elder, Robert Ellis Thompson, and Stephen Colwell. Provided that chimeras are not debated, the advocates of the credit system have taken the field and can once again claim victory. If patriots would now align with these great economists, as Lyndon LaRouche has done, their opponents would have no ground on which to stand.

Government must reclaim its power to legislate the creation of a financial system that provides all citizens with the right to make use of their spirit of enterprise, a system of currency that gives every citizen a capability to increase his or her productivity, and the right to go into debt for such a purpose.

The Congress has repeatedly abdicated this power, maintaining the myth of Andrew Jackson. That myth has been destroyed; the government is now freed to restore the original Bank of the United States and the Hamiltonian credit system.

[1] See Nancy Spannaus, " *Alexander Hamilton's Economics Created Our Constitution*," EIR, Dec. 10, 2010; and "LPAC Special Report, NAWAPA XXI: Great Project To Restore the American System," EIR, March 30, 2012

[2] Robert Hare, "*Proofs that Credit as Money in a Truly Free Country Is to a Great Extent Preferable to Coin*," abstraction from a pamphlet written in 1810, published 1834.

[3] Alexander Hamilton, *Report on a Plan for the Further Support of Public Credit*, Jan. 16, 1795

[4] Gallatin decreased the debt between 1801 and 1812 by 80%, but then, in effect, increased it by 180%, due to the condition of the economy during the war, or a net 60% increase from where it had stood under Hamilton.

[5] Michael Kirsch, "The Myth of Andrew Jackson Is Hereby Destroyed," www.larouchepac.com/andrewjackson; EIR, Dec. 14, 2012.

[6] Mathew Carey, "*Essays on Political Economy; or The Most Certain Means of Promoting the Wealth, Powers, Resources, and Happiness of Nations*," Philadelphia, 1822.

[7] Michael Kirsch, "*The Credit System vs. Speculation: Nicholas Biddle and the 2nd Bank of the United States*," EIR, July 20, 2012.

Summary of Draft Legislation

The following draft legislation acts as a guide, which qualified directors and a Secretary of Treasury can utilize to carry out the preceding principles.

As with Hamilton's original bank, a portion of valid public debt of the government will be consolidated as capital of the Bank of the United States, with the addition of a subscription by the United States. The capital of the Bank thus will tie the making-good of the debt, to the future productivity of the economy. A portion of the capital will also be opened for subscription by state and municipal debt. Additional lending capital can be concentrated by selling obligations of the Bank, which are convertible into stock, the obligations being an investment backed by the United States with the guarantee of increased productivity, for a total of one trillion dollars capital of the Bank.

The Bank will serve as a place to concentrate all idle money, and to make it available as credit in the most efficient way possible. The Bank will receive deposits of the National Transportation Fund, circulating the fund as credit until needed for appropriation. Revenues for import duties applied on goods which crucial domestic industries currently produce, or which will be needed to be produced for new infrastructure within the United States, will be similarly circulated as credit through the various branches of the Bank.

As an institution especially formed for the purposes of credit, and whose role it will be to interface with the various credit cycles existent in the United States, these and other Federal revenues currently utilized by the Federal Reserve may be more wisely made use of by the discretion of the Treasury Secretary, by depositing them in the branches of the Bank of the United States. This amount will be substantial, both by what it achieves, and by the cancellation of the evil of speculation, which creates a society of bad morals.

The Bank will also accept deposits of funds that have been raised by states and municipalities for their own projects, making them available in the interim before they are expended in the states and municipalities, as an addition to the general credit fund of the Bank of the United States. Rather than operating under the failed model of speculative investment houses, states and municipalities will be able to make a valid profit while securing their funds. The Bank will use its capital to purchase state and municipal bonds related to their own projects, and if necessary, the Bank will borrow from the Federal Reserve discount window against the bonds for six months. Idle revenues will no longer be used for speculative purposes which end in disaster for cities, states, and the Federal government.

The Bank will lend for industries and manufactures which build the components of a new infrastructural system around the country. Various spin-off industries and orders related to Section 3 of the draft legislation will be facilitated by those commercial banks working with the Bank of the United States, and commercial banks will profit from discounting commercial securities related to the debt of industries and companies which will produce and circulate needed commodities. Large companies and corporations will no longer need to sell bonds and raise money from the shadow banking system, but will obtain reasonable accommodation from the Bank and other commercial banks with which the Bank cooperates.

The Bank will take up responsibility for large agricultural cycles, making loans to producers to finance the carrying and orderly marketing of agricultural commodities. With increasing industrial and agricultural exports creating new demand for raw materials and agricultural products, made possible by loans and discounts from the Bank, the board of directors of the Bank will track the cycles and circuits of domestic commerce, which will create profits for the Bank and other commercial banks.

Debts will be balanced with the credits arriving in the Bank from the products of industry related to the initial debt; the time and terms of the original debt will be closely tied to the time of the commercial cycle. A vast circulating currency can be formed, as in Hamilton's original creation of the public credit system, as the securities of industry themselves will circulate as a means of payment to extinguish the various debts among parties, since the credit due to one party can be transferred to another.

The commercial banking system will be aided by the Bank through its bankruptcy reorganization procedures, under a reinstatement of the Glass-Steagall Act and related 1933 Banking Act provisions, raising capital stock of banks as necessary.

Unlike the Federal Reserve and other central banks the Bank of the United States, in accordance with its original design, will not be at liberty to continuously purchase debt of the United States, but only to sell an amount included in its original capital stock in due amounts and at appropriate times. It will therefore not be a machine of idle indebtedness, but will operate in accordance with Hamilton's original maxim of public credit related to the creation and extinguishment of debts.

The Effects of the Legislation

After an estimate of needed industry and labor for completion of new infrastructure, voted on by the representatives of the people, the first investment cycle and credit emission for new projects will be organized to accomplish those tasks which will increase the potential of the economy for the next investment, such as plant and labor capacity. The boost of the economy created by that investment will alter the appropriate loans for the next cycle.

Millions of productive jobs will increase tax revenue from new tax receipts of newly employed workers. A much greater increasing revenue will come from the taxes on earnings of industrial corporations within the United States. The income of the nation shall shift from consumer income to business income, and therefore the currency will be tied more closely to private industry. Similarly, consumer spending of the non-industrial sector of the population will account for a decreasing proportion of the financial system of the United States.

Numerous Treasury commitments which have been sunk to stave off attrition, or which are disbursed for infrastructure investment out of the annual budget, will be freed up, now serviced by loans from the Bank.

As a result of available credit, new infrastructure will increase national income from industry and agriculture. There will be gains reaped in foreign exchange by the yield of increased exports of agricultural, mineral, and manufacturing products.

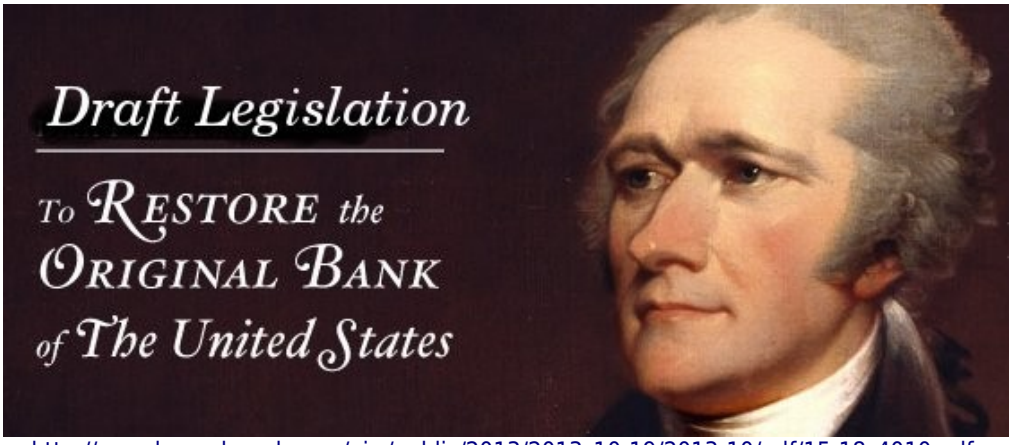
Within the context of the Bank of the United States providing credit, a proper system of commercial banking will make profit, not on mutual funds and other risky ventures, but on loans and the discounts between new industries and industrial and agricultural consumers in the United States.

The interest paid to banks will correspond to a portion of the surplus earned by productive citizens from the employment of loans. Loans issued by banks will be strictly tied to the production cycle for which loans and discounts are made.Banks will conduct loans that depend upon the profitable operation of the borrower, where employment will be provided and the security will reasonably assure ultimate liquidation of the loan.

Banks will become intermediaries to the agro-industrial economy and share in the profit made from converting raw materials into finished goods and increasing the output of the land. Commercial banks will profit from increased industrial orders within the national economy and for purposes of increasing its productive output. Investment and pension funds will redirect valid savings into these new productive enterprises, rather than the formerly speculative, derivative-related funds.

Those who produce goods for industry, those who labor to build infrastructure, and those who produce goods for consumption, will receive legal priority over those who buy and sell goods in commerce and trade. Speculation, including on foreign exchange and interest rates, will be reduced as rapidly as regulations can be put in place. Tax-paying domestic manufacturers will receive those privileges currently granted to foreign nations and supranational cartels.

Draft Legislation



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NAWAPA XXI :

- Emergency Resolution : NAWAPA XXI-Applying a System of Public Credit
- The Extended NAWAPA: Project Overview
- As Their System Dies, the British Empire is Desperate to Stop Glass Steagall and NAWAPA
- Bill C-383: a british imperial plot to kill NAWAPA and your future in Canada

Emergency Resolution :
NAWAPA XXI-Applying a System of Public Credit

Emergency Resolution :
NAWAPA XXI-Applying a System of Public Credit

In 2007-2008, the governments of the trans-Atlantic region missed the opportunity to attack and eliminate the speculation-based financial system. The financial bubble created over decades had finally burst, but proposals to protect the real economy from the collapse of fictitious asset values were ignored or blocked.

The failure to implement available solutions in the self-interest of nations led to a continuous series of financial bailouts by European governments and by the Bush and Obama administrations in the United States. In Canada there were officially no bank bailouts but only so-called "liquidity support" for the banks (1).

Bank bailouts and continuous support around the world for a "universal banking" speculation-based system forced federal governments to initiate and carry out severe austerity measures on behalf of these banks. Hospitals, schools, police forces, and other forms of vital social infrastructure have continued to disintegrate, and millions of families have lost their livelihoods, including long-term employment in productive jobs, life's savings, and homes.

In the United States, as a consequence of the continued bailout policy of 2007-2012, the last vestiges of the machine-tool sector, heavy industry, and other potential infrastructure building capacities have almost entirely disappeared.

Canada is also facing a dire situation: an overvalued housing market has driven consumer debt to an all time high of 153% of average household income. Ontario's industrial belt is facing high unemployment while manufacturing is collapsing across the country. Advanced sector industries are in serious difficulty with the near shutdown of our nuclear industry and budget slashing in Canadian aerospace. Highly qualified workers are now retiring and our young generations cannot find work as they are largely unskilled and wholly unprepared for the future.

A continental plan of action must be implemented which can also make up for decades of lack of investment in infrastructure and industry, utilizing the skill and technological capacities which still exist before they finally vanish, and address the immediate crisis threatening the existence of both the Canadian and American economies with the imminent blowout of the Euro-zone, by instigating emergency measures creating adequate financial barriers and banking regulation.

Such a plan is immediately available, as presented in the Committee for the Republic of Canada Special Report NAWAPA XXI (2) (North American Water and Power Alliance XXI), which proposes:

a) reviving the separation between commercial banking and the securities business by enacting legislation modeled on Franklin Delano Roosevelt's 1933 Glass-Steagall Act; to be immediately followed by,

b) establishing a System of Public Credit in Canada, the United States and Mexico by means of the construction and requisite methods of funding of NAWAPA XXI.

The NAWAPA XXI plan consists of the following:

• A water and power proposal employing a vast number of industries involved in material and machine production which are vital for Canada and the United States to develop and salvage, as well as new infrastructure routes stretching most of the continent, providing millions of Canadians and Americans long term employment, and training a new generation of highly skilled workers; its construction will provide the basis to industrialize northern Canada and Alaska for the first time, while reviving Canada's golden horseshoe economy and the once proud rust belt states economies of our southern neighbour.

• The utilization of 11% of the runoff of Alaska, Yukon, and British Columbia, as a permanent source of water to double food production in the U.S. Southwest and Northern Mexico, and turn would-be flood waters in one area into the means of fighting drought in another, to bring water to the dry Canadian Prairie provinces, to create a network of barge canals stretching from Vancouver to the Great Lakes-St. Lawrence Seaway, the deep-water port at Churchill, as well as James Bay and Labrador opening a vast resource potential for Canada's development.

• This project would massively increase the economic activity of Canada, the U.S. and Mexico for a generation. Mexico has already initiated water projects that would connect with NAWAPA XXI, while previous generations of political leaders in Canada, such as Prime Minister Lester Pearson, (3) viewed the opportunity to move some of our abundant water resources down South as "one of the most important developments in our history ... as

important as exporting wheat, or oil or anything else." NAWAPA XXI would provide a model for cooperation between sovereign nation states that would benefit all parties involved.

• In the System of Public Credit, existing or newly created Public Debt by the government is funded according to the timetable required for industrial and infrastructural growth, through the means of a reorganized Bank of Canada serving as a credit lending institution for internal improvements and industry. In this system, the anticipated future value of Public Debt associated with the infrastructural and industrial projects circulate as currency in the present.

• This system has been used in past American infrastructure and industrial mobilizations to build the United States and combat financial oppression, and was established by Alexander Hamilton in his success in turning monetary debts into circulating credit through the use of the Constitutional Powers of Congress and the Bank of the United States, and late applied in Nicholas Biddle's directing of the second Bank of the United States under President John Quincy Adams, Abraham Lincoln's Greenback-based national banking system, and Franklin Roosevelt's use of the Reconstruction Finance Corporation.

Under the proposed plan, the government's coordination of the vast economic activity and provincial and federal revenues which NAWAPA XXI's construction will create, will generate enough activity to make feasible sufficient credit emissions through a new credit lending institution to revive our economy as well as actualize any valid debts after

Glass-Steagall and an associated banking re-organization.

Therefore be it resolved, that I hereby endorse the NAWAPA XXI plan, and that a copy of this Resolution shall be forwarded to Members of Parliament and to the Prime Minister of Canada.

First name_____

(Required)

Last name _____

(Required)

Profession _____

Organisation _____

City _____

(Required)

Province _____

(Required)

Phone number _____

Email _____

(Required)

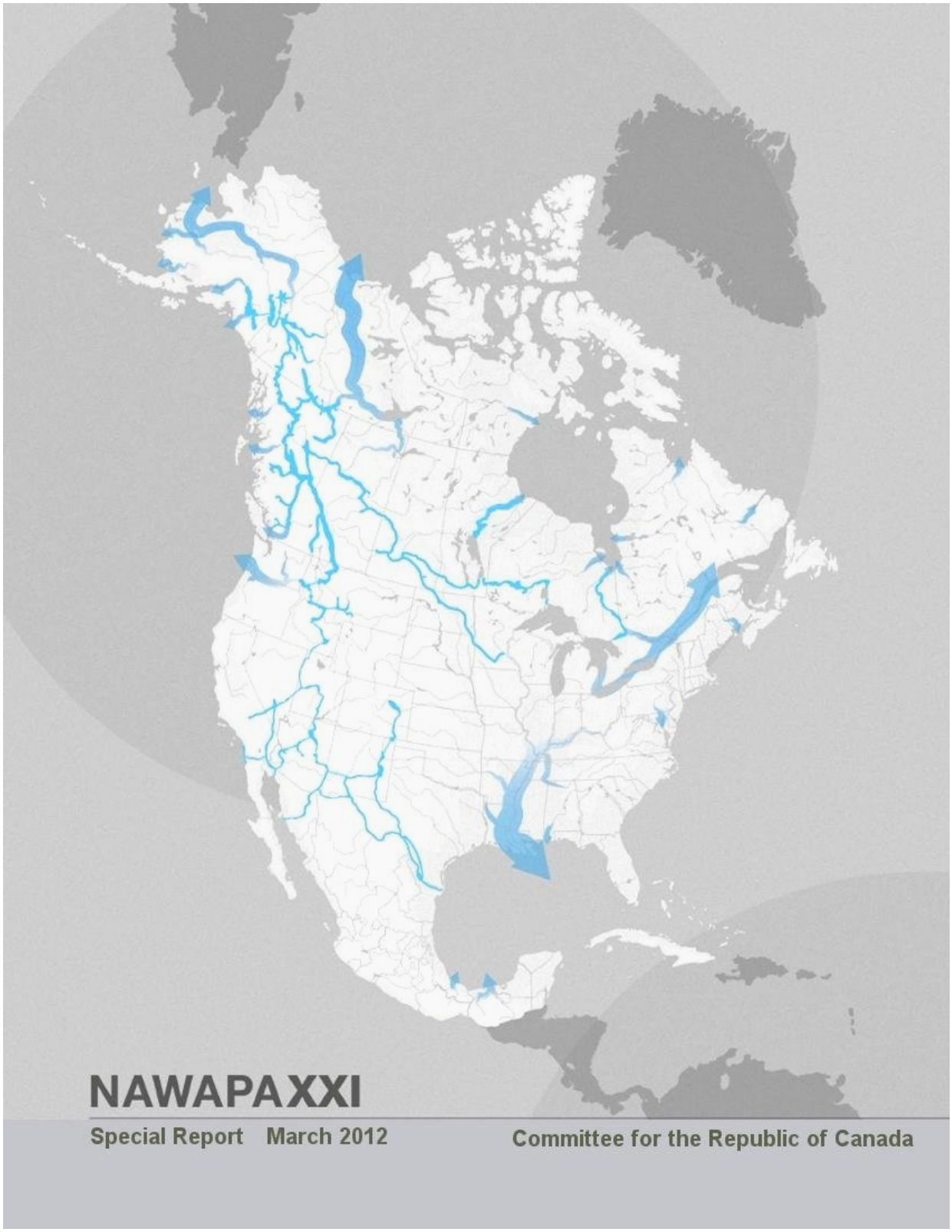
With my signature, I agree that my name may eventually be made public.

Notes :

(1) David MacDonald: "The Big Banks' Big Secret"— Estimating government support by Canadian banks during the financial crisis. April 2012. Canadian Center for Policy Alternatives. (www.policyalternatives.ca)

(2) NAWAPA XXI Report

(3) Canadian Broadcasting Corporation "Free Time Broadcast" No. 4 on October 15, 1965 at 8:00 P.M., cited in correspondence of U.S. Senator Frank E. Moss.



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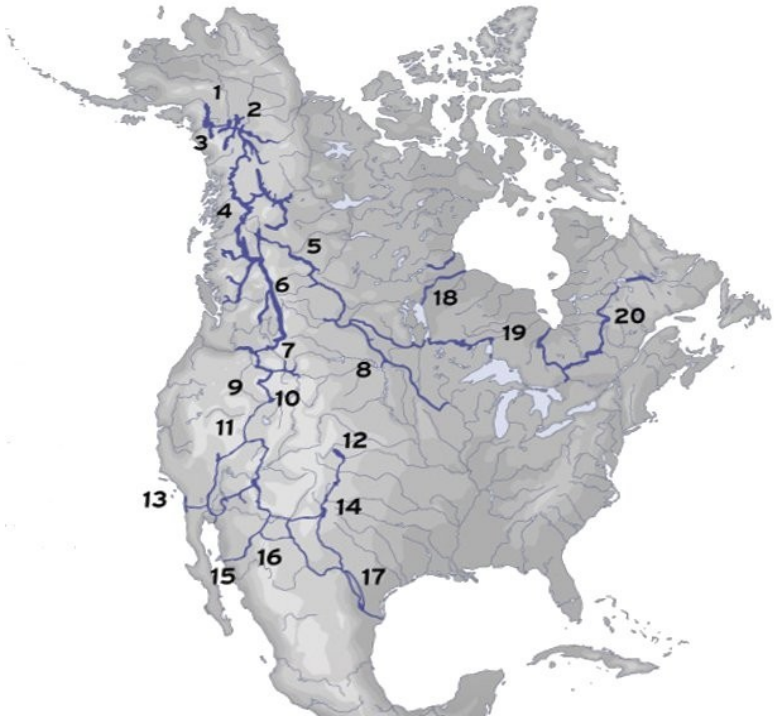
The Extended NAWAPA:

Project Overview

1. Susitna Reservoir
2. Yukon Reservoir
3. Copper Reservoir
4. Taku Lift
5.Canadian/Great-Lakes Waterway
6. Rocky Mountain Trench
7. Sawtooth Lifts
8. Dakota Waterway
9. Sawtooth Tunnel
10. Great Basin Waterway
11. Lake Nevada
12. Colorado Reservoir
13. Baja Aqueduct
14. Colorado Aqueduct
15. Sonora Aqueduct
16. Chihuahua Aqueduct
17. Rio-Grande Aqueduct
18. Hudson Bay Seaway
19. James Bay Seaway
20. Knob Lake Barge Canal



The implementation of NAWAPA means making the bold decision to solve the long-term needs of mankind for the next 5 0 years, in the management of water and other presently known and new resources. It means a civilization taking its destiny into its own hands, by managing continental and global characteristics instead of local ones.

True Water Management:

Due to North America's specific topographical shape, and ocean air currents, a quarter of all the rain or snow that hits the ground there each year falls in a narrow corridor of the continent, with 800 MAFY (million acre feet per year) running directly into the Pacific and Arctic Oceans, unused by the biosphere on land, and wasted. Meanwhile, a large swath of the western half of thecontinent remains dry, and barren.

NAWAPA will remedy this presently inefficient distribution of precipitation: Utilizing 20% of this runoff, 160 MAFY, strategically placed dams and tunnels will create a collection system of major new reservoirs and canals, taking advantage of the natural topography of the Rocky Mountain Chain, and effecting a distribution of water to parched lands and strategic waterways.

Through 22 MAFY to the Canadian Prairie Provinces, 69 MAFY to U.S. states, and 21 MAFY to Northern Mexico, 86,000 square miles will be irrigated, doubling the current irrigable acreage west of the Mississippi, and replacing the increasingly inefficient and limited sources of well water with a permanent source from gravity flow, relieving agriculture of pumpingcosts and restoring its productivity.

It is a known fact, that 4 0% of precipitation over continents (Category A) returns directly as run off or groundwater discharge to oceans, while 6 0% of precipitation over continents (Category B) re-evaporates, and falls back onto land, recycling itself roughly 2.7 times over land before returning to oceans. By building NAWAPA, the 160 MAFY of normal Category A precipitation will be brought into participation with Category B, being used not once, but multiple times as it recycles as rainfall across the continent, before exiting the system.

Rail Lines:

For an efficient construction of NAWAPA and an efficient use of the northern regions:

- Various Union Pacific and Burlington Northern Santa Fe rail lines from the Midwest into Idaho will need immediate double- and triple-tracking. The CanadianPacific routes servicing the Fraser River and Rocky Mountain Trench areas will need immediate double-tracking.
- The Alaskan-Canadian rail system must finally be completed, with two routes of double-tracked line connecting Prince George to Fairbanks, and Dawson Creek to Fairbanks, for a total of 2,200 miles of track.
- 975 miles of double track to connect Fairbanks, Alaska with Egvekinot, Chukotka, including a 60-mile long tunnel and/or bridge crossing the Bering Strait.

Employment:

NAWAPA itself creates, directly and indirectly, 4 million jobs, plus close to an additional 1.5 million jobs through application of nuclear technologies for the 30,000 MW pumping requirement of the system, for a total of 5 .5 million new jobs.

Canadian-Great Lakes Revolution:

On par with the revolutionary transformation brought aboutby the Erie Canal, which opened the Midwest to commerce and made New York City a metropolis, NAWAPA's barge canals, connecting Lake Superior to the Pacific; and Hudson Bay, Georgian Bay, the ore fields of Labrador, and Quebec to the Great Lakes, will turn once inefficient or inaccessible resource deposits, into easily accessible regions of development, leading to an explosion of new mining, processing, and industrial and research potentials, all along its banks, like the once great industrial corridors of the Mississippi.

Efficiency of Design:

The NAWAPA design has the least amount of reservoirs and distributionsystems for the greatest effect:

- 3,150 individual water resource projects authorized or proposed by the U.S. Army Corps of Engineers in 1966, with 2.7 billion acre feet of water storage capacity created;
- 369 individual water resource projects proposed 40 Feature EIR January 28, 2011 in NAWAPA, with 4.3 billion acre feet of water storage capacity created.

Industrial Bill of Materials and Processes:

Constructing NAWAPA's dams, canals, reservoirs, aqueducts, and tunnels, will involve, at the least:

- Hundreds of millions of sacks of cement, nearly 100 million tons of steel, tens of millions of tons of copper and aluminum, and a vast array of new machinery required to construct the project and move approximately 32 billion cubic yards of earth;
- Drilling 50 tunnels with a total distance of over 1,000 miles displacing 860 cubic yards of rock, employing an unprecedented use of tunnel boring machines, and possibly new techniques;
- An undefined quantity of orders for the production of heavy electrical equipment, involved in: a) power generation stations, including forebay, penstocks, head gates, turbine wheels, generating units, and switchgear and, b) pumping stations, including large motors, large capacity pumps, valving, fittings, intake & discharge headers.

Nuclear Renaissance:

The 2,450 foot Idaho Saw Tooth Lift, necessitating 26,000 MW of power, will require sixty-five 400 MW modular nuclear plants, such as the GE-Hitachi PRISM. The settlement of northern and remote regions of the continent will lead to the long-awaited use of ultra-efficient, high-temperature nuclear process heat for synthetic hydrocarbon fuels, efficient chemical processing, and water desalination.

Hydropower:

Because of its continental design approach, NAWAPA annually generates 38,000 MW of power for Canada, and 30,000 MW for the U.S.,from gravity flow. Hemispheric and Planetary Reorganization:

NAWAPA's approach signifies a change in the organizationof the planet as a whole, and its application will set off a pattern of sovereign nation-states, acting as sovereign nation-states, utilizing the full compass oftheir own territories for the scientific benefit and increasingpower of their citizens. The increase of the infrastructural density and land management techniques will lead to a guaranteed increase in the productive powers of labour, per unit of relevant territory, and in greater rates than ever before, for every continent

where the principle is applied.

Scientific Advancements:

Along with its planetary effects as a continental water-managementsystem, NAWAPA is a science driver in the true sense of the term:

- The implementation of a reservoir management system of its scale, over one continuousactive corridor of scientific coordination, will lead to unpredictable, but guaranteed qualitative effects in overall technological and scientific management.
- The creation of 50 large tunnels, totalling 1,000 miles, typifies the great advancements to be made in geological mapping, as well as fundamental discoveries in the understanding of life's creation of the Earth's crust, and the nature of its useful biogenicores.
- Creating a permanent presence of civilization in the northern regions will transform our current scientific perspective of the Arctic from isolated research stations in remote and dangerous conditions into anactive scientific capability. With the Arctic's unique proximity to the singular electromagnetic conditions of the Polar regions, the complex of electromagnetic relationships, which define the Earth-Sun-Solar System magnetic interactions, and have determined the evolutionary processes of the biosphere, will finally be integrated into the power of man's understanding and economy.
- With a restored, non-crisis-management approach to the hydrological cycle, breakthroughs will be made in the biospheric engineering of climate, plant life, ground water, and soils.
- Through the close management of NAWAPA's 240 reservoirs, not only will the continent's production of fish and aquatic protein multiply several- fold, but new frontiers will be breached in reservoir science and water treatment methods, mastering the use and engineering of micro-organisms, fish, and plant control.

In accomplishing NAWAPA, man will be poised to begin mastering and making use of the integrated relationships which define life on Earth, and participate in creating its continued evolution, rather than being subject to the whims of nature and local conditions.

As Their System Dies, the British Empire is Desperate to Stop Glass Steagall and NAWAPA

(CRC)--On 13 February, 2013, the Canadian House of Commons passed on the third reading Bill C-383, to amend the International Boundary Waters Act (1909) and the International Rivers Improvements Act (1955), to prevent the bulk export of water out of Canada. The import of this bill, if sustained in the Senate, as expected, would be to kill the North American Water and Power Alliance (NAWAPA).

The Commons vote was unanimous, so the bill went to the Senate Feb. 14, where it passed on the first reading. It is expected to easily pass on the next two readings.

The International Boundary Waters Act (as amended by Bill C-6 in December 2001) already prohibited the bulk removal of water from boundary waters (bodies of water through which the U.S.-Canada boundary passes) for transfer out of Canada. Bill C-383 amends the International Boundary Waters Act to include a ban on bulk water removal from transboundary waters that flow into the United States. It also amends the International Rivers Improvement Act to prevent projects (e.g., a dam, canal, or reservoir) that would divert water from non-transboundary waters into international rivers flowing across the border, if the projects increase the annual flow of water out of Canada.

The bill was originally introduced by a Conservative Member of Parliament (M.P.), Larry Miller (Bruce-Grey-Owen Sound) on 13 December, 2011 with the support of Prime Minister Steven Harper's Conservative government, in an attempt to defeat even more draconian anti-NAWAPA legislation (Bill C-267) which had been introduced by a Liberal M.P. intent on outlawing interbasin water transfers. On 14 March, 2012, Harper's Conservative government combined forces with the Bloc Quebecois to defeat Bill C-267, by a vote of 156 to 125, with the Liberals, the New Democratic Party and Green Party leader, Elizabeth May voting in support of the bill. However, realizing that there are problems trying to legislate at the Federal level matters (such as interbasin transfers) which are under Provincial control, and that the Provinces already have legislation banning interbasin transfers (eg. British Columbia's 1995 Water Protection Act, Alberta's 2000 Water Act, etc), most of the proponents of Bill C-267, including Green Party leader Elizabeth May ended up rallying to support Bill C-383.

On both sides of the border, the Committee for the Republic of Canada and the LaRouche Political Action Committee, has been actively organizing for LaRouche's three-point program, including an Appeal for Glass-Steagall, a Public Credit System and the North American Water and Power Alliance (NAWAPA). That organizing clearly will be increased in the near future. [RH]

Bill C-383: a british imperial plot to kill NAWAPA and your future in Canada

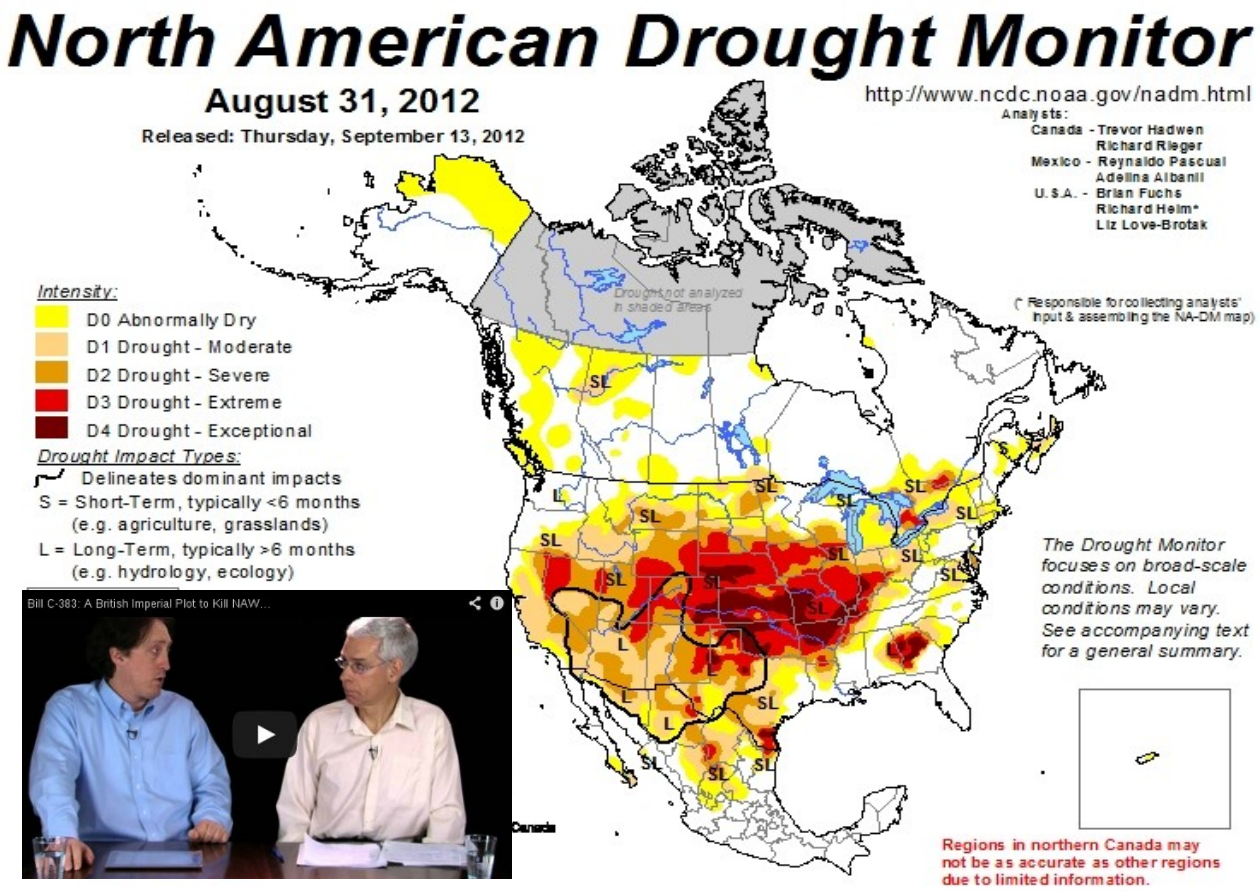
The British empire has always been promoting genocide through famine and economic destruction, using cults such as environmentalism and monetarism to create such conditions.

Amidst a world food crisis and the worst drought in fifty years for the United States, the Canadian House of Commons, dominated by both above-mentioned cults, passed bill C-383, a bill that would outlaw bulk water exports to the USA, the world's biggest food exporter, and would only help create conditions for world starvation.

We must stop this bill from passing in the Senate, and instead implement the NORTH AMERICAN WATER AND POWER ALLIANCE (N.A.W.A.P.A.), which represents the only way to save our collapsing economy, build a real future, and put an end to British imperialism.

For more details on the Bill->http://www.comiterepubliquecanada.ca/article2736.html.

Click here for Marcia Merry Baker's article:
FOOD & AGRICULTURE CRISIS FACT SHEET
Restore National Sovereignty; End Famine-Depopulation Agenda



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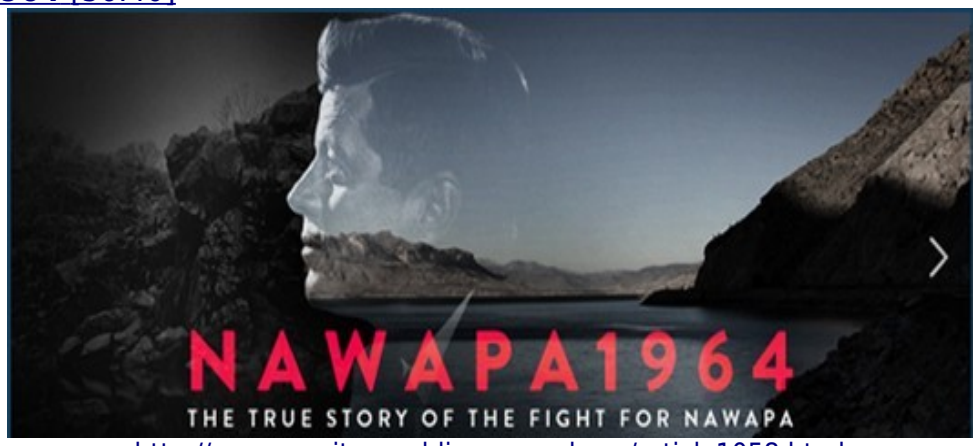

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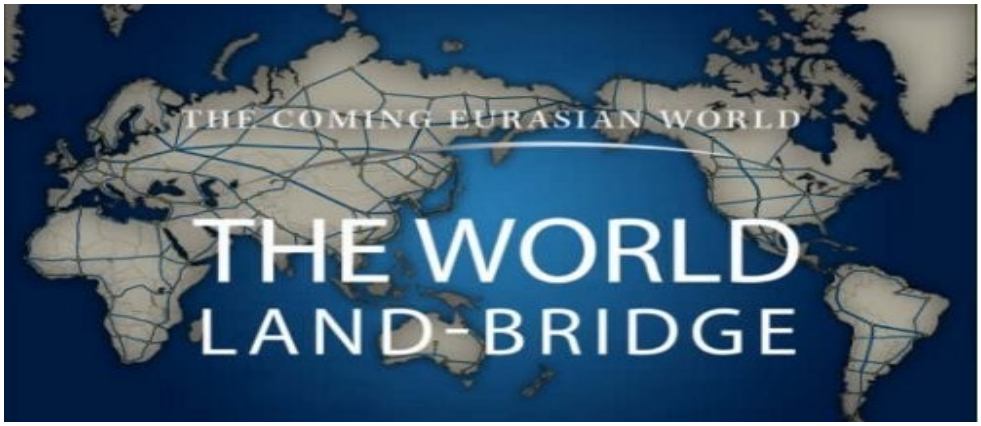
Series of projects of the World Land-Bridge



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