

Patriots of Europe Prepare for Glass-Steagall

by Our European Bureau

May 25—Thanks to the efforts of the LaRouche movement in Europe, there are now patriotic leaders throughout the continent who are mobilizing to restore their national sovereignty, both by breaking from the dictatorial euro system, and by preparing to implement a Glass-Steagall banking-separation policy of their own.

The so-called banking-separation law just passed in the German Bundestag is a total fraud. It is even less restrictive of the speculative activities of the banks than the Vickers and Liikanen reports, produced by Britain and the EU respectively (see last week's *EIR*). The political party headed by Helga Zepp-LaRouche, the Civil Rights Solidarity Movement (BüSo), is waging an aggressive campaign for true separation of commercial from speculative, and a cancellation of the euro.

In other nations, political leaders are also stepping forward to fight the monetarist dictatorship. As soon as the United States takes the first step, by reinstating FDR's Glass-Steagall law, these patriots are set to move to free Europe from the process of genocide already underway.

We review some of the latest developments below.

Italy

On May 21, Member of the European Parliament (MEP) Claudio Morganti

briefed the plenary session on U.S. Sen. Tom Harkin's Glass-Steagall bill, and called on European nations to follow the example. Morganti intervened in the debate on Banking Union reform, rejecting the scheme and calling instead for banking separation. Here is the text of his intervention:

“Mr. President, honorable colleagues,

“European banks have nowadays reached barely controllable dimensions, and the crisis of one of them can throw the entire financial market and the economy of a country into the abyss.

“Therefore, more controls and guarantees are welcome, even at the European level; however, I am still skeptical about all supervisory mechanisms, which have clamorously failed, both at the national and European level.

“In the last months in Italy we had the known case of the Monte dei Paschi bank: I doubt that a European supervisory mechanism would have been more effective—although it was surely impossible to make matters worse than that. At that time, [current European Central Bank President] Mario Draghi was at the Bank of Italy and he did nothing: I do not desire this to be repeated now in his new role at the ECB, because in that case, Europe as a whole would pay the consequences.

“I wonder what use and



Italian Member of the European Parliament Claudio Morganti

effectiveness the new European Banking Authority will have, because so far, it's been practically useless. It was just the umpteenth useless European agency. Maybe, bringing it again under the ECB has a logic.

“A large part of banking problems originate, in my view, from an error which I have often stressed in this room, and that is, from the wretched abrogation of banking separation, modeled on the U.S. Glass-Steagall Act. Just last week, also in the United States Senate, a bill was filed, aimed at re-introducing Glass-Steagall, similar to the bill already filed in the House of Representatives.

“Europe should follow this path, because today we talk about a Banking Union, but maybe many more benefits would come from a Banking ‘Separation.’”

Morganti's intervention can be viewed in this video, with simultaneous translation in English: <http://www.youtube.com/watch?v=tQPRpGgXDSc>

France

Solidarité & Progrès, the political party founded by former Presidential candidate Jacques Cheminade, on May 14 released its draft bill to restore the Glass-Steagall standard. In doing so, the Solidarité & Progrès sets itself above all the other political parties in France, which, despite high-sounding Pinocchio speeches, have given up the fight against the financial oligarchy, and have submitted to the bankers' “banking reform.”

While the banking act submitted to Parliament by Finance Minister Pierre Moscovici would prevent splitting up the banks, and enforce the bail-in procedure known as the “Cyprus template,” Solidarité & Progrès's draft bill revives Charles de Gaulle's 1945 bank separation, which was key for financing “the glorious thirty” years of postwar economic renaissance by applying a public-credit distribution system for key physical-economic projects.

The draft bill is a twin of the U.S. Glass-Steagall Act, restoring a sharp separation between commercial banks and banks engaged in speculation, leading to a bankruptcy reorganization of masses of fictitious financial assets that are accumulated inside the banking system.

In its press release and website, Solidarité & Progrès



Jacques Cheminade, head of France's Solidarité & Progrès party, in a televised interview: “Has the war against high finance begun?”

links its draft bill to U.S. House Resolution 129, the Return to Prudent Banking Act, calling for reimposing Glass-Steagall. Solidarité & Progrès notes that a global Glass-Steagall policy is the only way out of the financial disintegration and suicidal austerity pact of the EC-ECB-IMF Troika.

The draft bill is available at: <http://www.solidarieteetprogres.org/mobilisation-glass-steagall.html>.

Greece

The Greek anti-euro party called Plan B held its founding congress May 18, officially becoming Greece's second anti-euro party. The first, the Drachma 5 party, was founded earlier in May on the initiative of Prof. Theodore Katsanevas. The formation of the Plan B party, which has about 400 members, was announced several weeks ago by its initiator Alekos Alavanos.

“Greece is now a country with no achievement. It's a society that has lost its self-confidence and its perspective for the future,” Alavanos told EnetEnglish. “Everyone knows, everyone, even the Germans . . . that Greece cannot pay its debts. . . . So this is a reality and everyone will accept it finally even if he does not like it.”

Alavanos is the former leader of the Syriza party, who made Alexis Tsipras the leader of that party, something which Alavanos later came to regret. He left Syriza over the euro issue, and is now in a position to attract its disaffected left-wing members.

The Drachma 5 party's Five Star program calls for 1) overthrowing the Memorandum of the International Monetary Fund, the European Commission,



Wikimedia Commons/Michalis Famelis

Alekos Alvanos, initiator of Greece's Plan B party.

and the European Central Bank (a.k.a. the Troika); 2) returning to the drachma; 3) facilitating robust growth; 4) restoring national dignity; and 5) restoring social justice. It includes a call for total banking separation.

Spain

In early May, a “Manifesto for the Recovery of Economic, Monetary and Civil Sovereignty: LEAVE THE EURO” was issued by a group led by Julio Anguita, a senior statesman from the Communist Party and United Left (IU) party who is now organizing a non-partisan Civic Front movement.

Initially signed by Anguita, leaders of the Civic Front, and some current and former leaders of the IU, 900 other leaders signed the manifesto within two days of its posting.

Economist Pedro Montes told *Cuarto poder* that the initiators had decided that the time had come to state publicly what is being discussed in Spain's classrooms, cafés, and on the streets, to provoke the debate required to get parties and social movements to take a stand against the euro.

Spain faces an “unmanageable disaster,” catastrophic unemployment, a foreign debt impossible to pay, and public accounts heading toward state bankruptcy, the manifesto begins. The causes are complex and multiple, but “the principal reason for this destructive situation must be attributed to our country's joining the single currency.”

The single currency created the conditions for the neoliberal doctrines of “Maastricht Europe.” It created unsustainable imbalances covered by huge foreign debts, for Greece and Portugal, as well as Spain. Until 2008, Spain “lived a dream, as if drugged, feeding the real estate bubble.” Then financial markets shut off credit, and the destructive policies of adjustment, austerity, and privatization followed.

The manifesto slams not only the ruling, neoliberal People's Party, but also the Socialist Party, for now feigning criticism of the suicidal policies in which it was an active co-participant, while insisting that “the euro is irreversible.” Leaders of the trade unions recognize their error in giving “a critical yes” to Maastricht, and denounce the current situation, but are unable to propose effective anti-crisis measures, because they don't question the current Europe.

REVIVE GLASS-STEAGALL NOW!



“The point is, we need Glass-Steagall immediately. We need it because that's our only insurance to save the nation.... Get Glass-Steagall in, and we can work our way to solve the other things that need to be cleaned up. If we don't get Glass-Steagall in first, we're in a mess!”

—Lyndon LaRouche, Feb. 11, 2013

WATCH the LaRouchePAC video:

'Glass-Steagall: Signing a Revolution'

SUBSCRIBE to EIR Online

www.larouchepub.com/eiw

toll-free: **1-800-278-3135**

e-mail: fulfillment@larouchepub.com

Others on the left propose utopian changes to the “unreformable” structure of Europe today.

“It seems clear to us signers of this Manifesto,” the write, “that Maastricht Europe cannot survive under its current configuration, after the disasters and sufferings which it has caused.... We also affirm that our country cannot get out of the crisis within the framework of the euro. Without our own currency and without monetary autonomy, it is impossible to confront the social and economic drama....”

The manifesto specifies that the foreign debt is unpayable. Private interests must pay private debts, and the public debt must be radically restructured through write-downs, moratoria, and conversion to local currency.

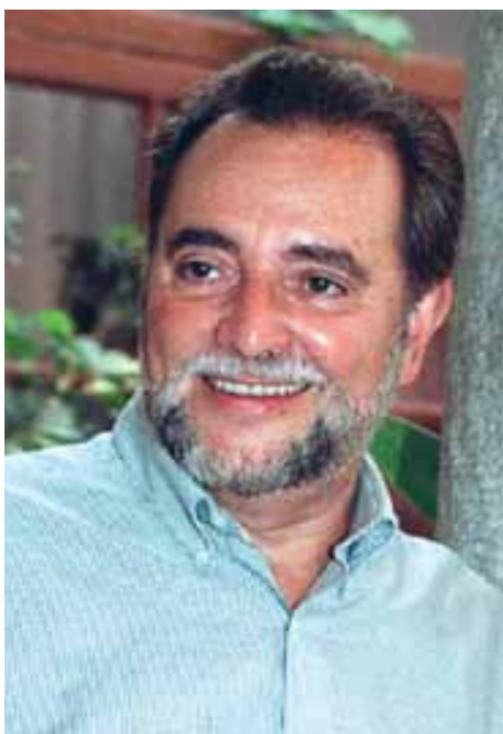
“As we see it, today, Spanish society, which has entered into a prolonged and hopeless agony, has no other option than to leave the euro, to prevent the final collapse of the country.”

Ireland

On May 21, Deputy Thomas Pringle announced a motion to be debated in the Dáil (parliament), co-sponsored by 13 members of the Dáil Technical Group, for the establishment of a process to allow a Eurozone member state to voluntarily leave the Union. He also called for a wide-ranging public debate on the future direction of the European Union.

Pringle said, “There is no doubt that there are big changes coming down the line in terms of our relationship with the Union and what it will mean for us as a nation, and indeed, whether we will be a nation afterwards or not.”

Pringle, an independent deputy in the Dáil elected in 2011, is the leader of the Technical Group of Independents. He was active in both of the “no vote” referendum campaigns against the Lisbon Treaty.



Spain's Julio Anguita, organizer of the non-partisan Civic Front.