Support Spreads For Glass-Steagall

Nov. 12—In the face of the threat of a new financial crash, as well as the ongoing economic depression, support continues to grow for the re-instatement of Glass-Steagall in both the United States and Western Europe. Here are several of the latest developments:

United States

Michigan: On Nov. 5 in Lansing, State Rep. Brian Banks (D-Detroit) introduced HR 260, officially described as, "A resolution to urge the Congress and the President of the United States to enact legislation that would reinstate the separation of commerical and investment banking functions in effect under the Glass-Steagall Act."

The bill, which has been referred to the Committee on Financial Services, is a companion to one introduced into the state Senate, as S 98, on Oct. 23, with an initiating roster of eight lawmakers.

HR 260 has 11 sponsors, in addition to Representative Banks. Among them is Phil Cavanaugh, former Wayne County Commissioner.

Michigan is the 25th state to have such measures introduced.

Western Europe

Iceland: In late October, a resolution for Glass-Steagall-type bank separation was reintroduced into the Icelandic parliament, the Althingi. It was debated on Oct. 30, and referred to a committee.

The text of the resolution is the same as the March 18, 2013, amended version, unanimously passed by the Economics Committee, but for a change in date.

"Parliament resolves to entrust the Minister of Industry and Innovation with the task of appointing a committee to investigate whether, and by what means, a separation of commercial and investment banking shall be conducted, in order to minimize the risk of the banking system to the economy of the nation. The committee should examine the policies of neighboring countries in this regard, and submit its recommendations before October 14, 2013," shortly after the Fall session begins.

Belgium: With the Belgian government set to present a bank reform bill soon, three associations (Réseau Financement Alternatif, FairFin, and Collectif Roosevelt) have launched a petition drive calling for a strict separation between deposit and investment banks along the lines of the original Glass-Steagall Act. The initiative, which aims at quickly gathering 100,000 signatures, is part of a European campaign waged by Finance Watch, an anti-banking-lobby NGO based in Brussels.

The petition, which can be signed at www.scinderlesbanques.be, calls on the government to "adopt a law that totally separates banking activities, imposing a legal separation between the activities of financial speculation on one side, and deposit banks on the other side. This separation, in the form of the Glass-Steagall Act, was demonstrated to be effective over more than 50 years in the United States. It will allow deposit and credit activities to be safer and to be disconnected from market activities. Taxpayers will no longer be accountable, directly or indirectly, for risks of these market activities."

Italy and Switzerland: In both countries, there is a spirited debate in the newspapers on the Glass-Steagall question. On Nov. 5, three articles appeared promoting the banking separation, by economists Giulio Sapelli, Alfonso Tuor, and Walter Wittmann. Sapelli is professor of economic history at the University of Milan; Tuor is a columnist for *Ticino News*; and Wittmann is professor emeritus at the University of Freiburg.

Austria: At the national convention of the Action Committee of Christians and Social Democrats (ACUS) in Vienna Nov. 2, Dr. Matthias B. Lauer, the recently re-elected chairman, said: "Especially at times of protracted financial crisis, of the escalated budget-cutting policy in the EU, and of the widening gap on all levels between poor and rich, a structural criticism of the unsocial economy is required.... The dependence of politics on the financial sector must be put to an end. The ACUS calls for the implementation of an authentic bank separation system and for a ban on speculation."