

Italian/Euro Lawmakers Back Glass-Steagall

Muscardini Brings Resolution to EuroParliament: On May 17, Cristiana Muscardini, deputy chairman of the International Trade Committee in the European Parliament, filed a resolution to the parliament, entitled, “On the Advisability of Re-Establishing the Principles of the ‘Glass-Steagall Act’ in the New Rules To Be Defined To Overcome the Systemic Financial Crisis.” It reads:

“The European Parliament, considering the various meetings of the Ecofin and Eurozone member countries to confront the crisis of the euro, which, since January, has lost 14% of its value with respect to the U.S. dollar, [and] considering the previous resolutions on the financial crisis and the need to define new rules to avoid the growth of speculative bubbles;

“A. Considering the function played in the U.S.A. in 1933 by the ‘Glass-Steagall Act,’ which, in the midst of the ‘Great Depression,’ protected banking deposits from speculation;

“B. Considering the amendment filed in the U.S. Senate May 6 by Democratic Sen. Maria Cantwell and Republican Sen. John McCain, as an amendment to President Obama’s financial reform introduced by Sen. Chris Dodd, modelled after the Glass-Steagall legislation that separated commercial banks from investment banks, preventing the latter from using taxpayer money;

“C. Considering the inadvisability of bailing out

bankrupt banking operations with taxpayer money;

“Invites the Council and the Commission

“1. To consider the advisability of referring to the principles of the ‘Glass-Steagall Act’ in defining new rules to overcome the systemic financial crisis;

“2. To propose initiatives to reduce the excessive expansion of virtual money and to favor actions aimed at fostering investment for development, the only type of investment that produces real wealth and that can actually contribute to reducing debt.”

Italian Parliamentarian Polidori Calls for Revival of Glass-Steagall: The Hon. Catia Polidori, a leading member of the Productive Activities Committee of Italy’s Chamber of Deputies, has called for restoring Glass-Steagall. Polidori, from the majority Freedom People party (Pdl), is a former chairwoman of the young entrepreneurs section of the national confederation of small enterprises, Confapi.

“Considering the role of purely speculative financial instruments in the very serious economic crisis underway, we must regulate markets so that finance is at the service of the real economy, not the other way around,” Polidori said.

“In light of the debate underway in the US Senate on the financial reform bill and the need to restore the Glass-Steagall law from 1933, I believe it is essential to insist on the primacy of the productive economy, which requires well-defined rules, investment, and protection from the predatory mechanisms which have already caused so much damage. I hope that the vigorous debate which has emerged in the United States will lead to reflection and similar actions in Europe as well, before it is too late for our families and businesses.”