

Glass-Steagall Fight Expands Across Europe

July 20—In Italy, Sweden, and Denmark, the fight to end the financial oligarchy’s control over the economies of still-unsovereign nations moved forward in July, with public efforts by political parties, parliamentarians, and labor organizations, joining LaRouche-affiliated organizations in those countries, expanding their efforts to implement Glass-Steagall-style laws.

The Italian General Confederation of Labor (CGIL), Italy’s most venerable labor organization, with 6 million members, issued a “Manifesto of Good Finance” July 3, calling for Glass-Steagall-like bank separation. On July 12, CGIL general-secretary in Siena, Claudio Guggiari, stated, “We are deeply convinced that we need stronger rules on structured finance and derivatives, on reforming oversight authorities and bank governance, and on separating commercial banks from investment banks.” As a specific example, the local Siena press reported that Guggiari called for separating the troubled Monti dei Paschi di Siena (MPS) into commercial and investment banks. MPS, founded in 1472, is the world’s oldest bank, and Italy’s third largest.

Also on July 12, a third bill calling for Glass-Steagall was introduced into the Italian Senate, in addition to the two bills now before the Chamber of Deputies. The latest, S. 820, was introduced by Lega Nord Sen. Massimo Bitonci, and co-sponsored by the entire 16-member Lega faction. According to *EIR*’s sources, members of the Senate Finance Committee will push for a fast-track debate on the various Glass-Steagall bills, which can be initiated when one-fifth of Committee members demand it.

Scandinavia Opens Glass-Steagall Flank

In Scandinavia, too, the push for Glass-Steagall is gaining traction.

In Denmark, Frank Aaen, the harshest critic of the financial sector in Parliament, who also is the chair of the Parliament’s Political/Economic Committee, has

come out with a forceful declaration for Glass-Steagall. In an hour-long debate at “The People’s Meeting,” the country’s national political town meeting on the island of Bornholm July 13-16, the Unity Party’s Aaen skewered the director of the Danish banking association, Jørgen Horvitz, and called for state credit for productive investment.

Asked by Schiller Institute of Denmark’s vice president Michelle Rasmussen if he would introduce Glass-Steagall legislation in the Parliament, Aaen replied, “Yes. . . . Up to the ’90s, we had no major international financial crises, because you had Glass-Steagall legislation in all countries, which made sure that there were none of those giants that mixed pension, insurance, speculation, and regular banking.”

Aaen chastised Horvitz: “You don’t invest because you think it is a good investment. It’s not because you think that this is good for the economy, employment, or community development, but that you only think that by selling, or buying, and doing it again several times a day, you might score a tiny profit.”

From Sweden, the LaRouche-allied European Labor Party (EAP) has flanked a bureaucratic European Commission (EC) request for “Consultation on Reforming the Structure of the EU [European Union] Banking Sector,” which posed 11 questions in the most abstract, “value-free” manner, such as, “Do you consider that an EU proposal in the field of structural reform is needed? What are the possible advantages or drawbacks?” To this, the EAP representative replied with a hard-hitting review of today’s crisis, its origins, and what is required, including references, as well as the full text of H.R. 129, the Return to Prudent Banking Act in the U.S. House of Representatives which now has 70 co-sponsors.

As the EAP noted, in reply to the EC’s request for “Identification of the Respondent”:

“The EAP is actively relaunching the Roosevelt economic policies in Europe, starting with bank separation according to the Glass-Steagall Act of 1933, with the aim of recovering the remarkable physical economic growth that was achieved in Western Europe, until the policy of controlled disintegration was launched by organizations such as the Trilateral Commission, the Club of Rome, and the Worldwide Fund for Nature. . . .”