

The Fight for Glass-Steagall in Europe

It has been clear to both advocates and opponents of Glass-Steagall, that once the United States returned to this principle, Western Europe would soon follow. Indeed, the political drumbeat for what could be called a “Global Glass-Steagall” has been building dramatically over the last two to three years, fed by the organizing of the international LaRouche political movement.

Below we summarize the major public expressions of this support, starting with those nations in which legislation has actually been introduced into the Federal parliament, followed by those in which there has been institutional public advocacy for adoption of the Glass-Steagall banking separation.

I. Glass-Steagall Legislation

Italy

There are currently four draft bills in the national parliament. All call for strict separation between commercial banks and investment banks and name the Glass-Steagall Act as their model.

Chamber of Deputies (Camera dei Deputati):

March 22, 2013: A draft bill for “Delegation to the Government for the Separation of Banking Models” (C. 488) was introduced by *Hon. Davide Caparini* (Lega Nord), and signed by four other Deputies.

April 16, 2013: Draft Bill C. 762 was filed by *Hon. Marco Di Lello* (Democratic Party) and four other members of the Democratic Party caucus.

Senate:

May 28, 2013: Former Economy Minister *Sen. Giulio Tremonti* reintroduced the text of a draft bill for banking separation he had filed in the previous legislature (S. 717). The draft bill has been signed by seven Senators from the following groups: Grandi Autonomie e Libertà (GAL), Partito della Libertà (PDL), Partito Democratico (PD), Lega Nord-Autonomie (LN-Aut), and Movimento Cinque Stelle (M5S).

July 1, 2013: *Sen. Giuseppe Vacciano* (M5S) introduced a bill signed by 48 Senators from the M5S faction.

Regions:

A motion calling on the central government to im-

plement a Glass-Steagall type of banking separation has been filed in four regional parliaments (councils)—Piedmont, Lombardy, Veneto, and Tuscany, three of which have already approved it.

Tuscany: On May 16, 2013, a motion, introduced by *Gabriele Chiurli*, for “Banking Separation and Reform of Regulations Following the Model of the Glass-Steagall Act” was approved.

Piedmont: On June 6, 2013, a similar motion was introduced by a bipartisan group led by Councilman *Marco Botta*, and unanimously approved by the Council.

Lombardy: On Nov. 12, 2013, a “Motion Concerning a Return to the Glass-Steagall Act,” introduced by *Antonio Saggese* of the Maroni Presidente group, was unanimously approved by the Council.

Veneto: On Nov. 14, 2013, a similar motion was introduced in the Veneto Regional Council by *Federico Caner*, leader of the Lega Nord faction.

City Councils: Motions in favor of Glass-Steagall have been introduced in: Prato (approved May 16, 2012); Olgiate Olona (Varese, May 28, 2013); Galliate, Trescore Cremasco (approved Sept. 26, 2013); Montevarchi (Arezzo), Montichiari (Brescia).

Iceland

Parliament:

On Oct. 24, 2012, Motion 239 for the separation of commercial banks and investment banks was reintroduced, sponsored by 17 of its 63 members, representing all parties but one.

Motion 143, with the same text as the committee had proposed to the parliament, was reintroduced Oct. 3, 2013 in the new parliament by legislators *Arni Thor Sigurdsson*, *Bjarkey Gunnarsdottir*, *Ögmundur Jonasson*, *Helgi Hjörvar*, and *Sigrídur Inghjörg Ingadottir*. The first three are from the Left-Green Party parliamentary group; two are former chairs of the group (these are from the Social Democratic Alliance).

Belgium

Draft legislation for banking separation was introduced in both the House and Senate on Sept. 10, 2010, and reintroduced in October 2011, by Green Party MPs

and Senators *Meyrem Almaci*, *Georges Gilkinet*, *Muriel Gerken*, and *Stefaan Van Hecke*. The draft is pending in the Finance Commission.

Prime Minister Elio di Rupo, leader of the Socialist Party, *Vice Prime Minister Laurette Onkelinx*, and the chairman of the Walloon Socialist Party, *Paul Magette*, have all endorsed Glass-Steagall-style banking separation.

Economists: Eric De Keuleneer of the ULB Solvay Institute and Paul De Grauwe of the London School of Economics have called repeatedly on the government to split up the banks.

Letters to the U.S. Congress: On Aug. 5, 2013, Socialist *MP Dirk Van der Maelen* wrote a letter to members of the U.S. Congress, calling on them to adopt Glass-Steagall. *MP Bruno Tobback*, a former minister and currently the chairman of the Flemish Socialist Party, wrote a letter advocating the same.

National petition drive: In November 2013, a national petition drive to gather 100,000 signatures was launched by the group *Roosevelt.be*.

NGOs: Finance Watch, a Brussels-based NGO created to counter the banking lobby, has consistently argued in favor of a return to strict banking separation. It has included calls for ending speculation on food stuffs.

Sweden

Parliament:

On Sept. 25, 2013, the Swedish Green Party (*Miljöpartiet*, or mp), for the third year in a row submitted a motion for bank separation, with the headline: “Separate trading activity from regular banking activity.” The two original mp-parliamentarians, *Valter Mutt* and *Annika Lillemets*, were joined by *Jonas Eriksson*, *Jan Lindholm*, and *Anders Pertoft*. This ensures that the bank separation will be on the agenda in parliament in 2014, too. Like the two earlier motions, it refers to the Glass-Steagall Act.

On Sept. 18, 2012, the Left Party submitted its first motion on bank separation, under the name “Financial Regulation,” filed by parliamentarians *Ulla Andersson*, *Josefin Brink*, *Rossana Dinamarca*, *Christina Hoj Larsen*, *Wiwi-Anne Johansson*, and *Jacob Johnson*.

Switzerland

Parliament:

On Sept. 9, 2013, the lower chamber (National Council) voted up three motions for a banking separation reform filed by the Social Democratic Party (SP),

the Popular Party (SVP), and the Green Party. Following the vote, the SP and the SVP, which hold a majority in the National Council, drafted two new identical motions, in which they called on the government to draft a text for a banking reform.

II. Advocacy for Banking Separation/Glass-Steagall

Denmark

MP Frank Aaen of the Unity Party, chairman of the parliament’s Political/Economic Committee, introduced a motion for bank separation several years ago. Addressing a town hall meeting on the island of Bornholm in June 2013, he said: “Up to the ’90s, we had no major international financial crises, because you had Glass-Steagall legislation in all countries. . . . And therefore we must return to that again.”

Erling Svendsen, former president of the Danish Wheat Growers Association, sent letters on behalf of Glass-Steagall restoration to a dozen U.S. Senators and Representatives in May 2013.

Finland, Norway, Greenland, Faroe Islands

On Oct. 28, 2011, Left Party chairman and current Finnish Minister of Culture and Sport *Paavo Arhinmaki* supported the reintroduction of Glass-Steagall in an article. Arhinmaki was also among the six Nordic Left Party leaders signing a common statement for bank regulation, including bank separation, published Jan. 12, 2012. The others were *Kristin Halvorsen*, Socialist Left Party of Norway; *Steingrimur Sigfusson*, Left-Green Party of Iceland; *Hogni Hoydal*, Tjodveldi Party of the Faroe Islands; and *Kuupik Kleist*, Inuit Ataqatigiit Party of Greenland. This means that the bank separation issue has been supported on the government level in Finland through Arhinmaki, but also in Norway, since Halvorsen at the time was Minister of Knowledge; in Iceland, since Sigfusson was Minister of Finance; and in Greenland, where Kleist at the time was Prime Minister of the government under the Danish crown.

France

Petition for a Global Glass-Steagall: As of December 2013, some 3,000 people, including 260 mayors and 17 economists, have signed a call, circulated by the French party Solidarity & Progress (S&P), for a “Global Glass-Steagall.”

Some of the signers:

Prof. François Morin (Toulouse I, former Banque de France official); Pierre-Henri Leroy (Proxinvest); Jean de Maillard (vice president, TGI Tribunal Paris); Prof. Gabriel Colletis (Toulouse I); Olivier Marquet (CEO Triodos bank, Belgium); Jacques Cheminade (HEC, ENA, Presidential candidate in 1995 and 2012, chairman Solidarity & Progress); Jean-Pierre Aubin (Paris-Dauphine); Denis Dubois (Director, Economics Department, Finance Assurance Banque au CNAM); Isabelle Attard (MP of Calvados; Philippe Bonnin (mayor of Chartres-de-Bretagne, vice president CG35); Philippe Lamberts (European MP, Belgian Green Party); Joseph Battistini (parliamentary assistant to Sen. François Vendasi); François Vermande (General Councillor 15); Daniel Verdellan (mayor of Salindres); Philippe Chesneau (regional councillor PACA); and Marc Frot (general councillor Côte d'Or).

The European Union organized a public consultation on banking reform; 85% of all answers were in favor of full separation of commercial from investment banks. The EU posted the full text of the draft legislation by Solidarity and Progress on its website.

Municipalities:

About 75 municipalities, including councils in major cities such as Rennes and Toulouse, have discussed resolutions introduced by councilmen of various parties. As of December 2013, 25 cities have voted for a resolution calling on the government to enact a real Glass-Steagall.

General and Regional Councils:

The General Council of the Ille-et-Vilaine department passed a Glass-Steagall resolution on Nov. 13, 2013.

The Loire-Atlantique regional assembly on Oct. 18, 2013, passed a resolution demanding a real banking separation.

Letters to the U.S. Congress: On Sept. 4, 2012, Green Party MP *Eric Alauzet*, and on Oct. 2, 2012, *Sen. Pierre-Yves Collombat* (Left), wrote private letters to members of the U.S. Congress calling on them to reinstate Glass-Steagall without delay.

Franco-German Initiative: On Aug. 10, 2013, 12 mayors and municipal councillors from French and German municipalities met with Jacques Cheminade and Helga Zepp-LaRouche in Arzwiller, France, and issued a statement calling for the break-up of the large banks of Europe. As of December 2013, some 45

REVIVE GLASS-STEAGALL NOW!



LaRouchePAC is now leading a nationwide effort to push through legislation for Glass-Steagall (www.larouchepac.com).

"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



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ected officials of France, Germany, Italy, and Spain have signed the “Arzviller Declaration.”

The initial list of signers: Michel Carabin (Maire de Arzviller, 57); Jacques Cheminade (founder S&P); Gilbert Fixaris (Maire de Saint-Louis, 57); André Granget (Maire de Bleurville, 88); Sylvain Gross (1er Adjoint de Arzviller, 57); Katja Heintges (Conseillère municipale de Viersen, Rhénanie-du-Nord-Westphalie); Guy Longeau (Conseiller municipal de Chamouilley, 52), Jean-Marie Mangin (Maire de Varmonzey, 88), Georges Meyer (Maire délégué de Eberbach, 67); Catherine Perez (Conseillère municipale de Chamouilley, 52); Eugène Perez (Maire de Chamouilley, 52); Dorothea Schleifenbaum (Conseillère municipale de Siegen, Rhénanie-du-Nord-Westphalie); Bernard Trichot (3e Adjoint de Roche-sur-Marne, 52); Helga Zepp-LaRouche (chairman, BüSo, Germany).

Germany

City Councilwoman Dorothea Schleifenbaum, from the industrial city of Siegen, travelled to Washington, D.C., at the end of November 2013, to meet with Congressional offices and other institutions, calling on U.S. policymakers to reinstitute Glass-Steagall now—before the next big financial crash.

Fleming Meyer, member of the state parliament of Schleswig-Holstein and chairman of the South Schleswig Voters’ Committee party, sent letters to U.S. Senators and Congressmen.

See also Arzviller Declaration, above (under France).

Great Britain

Institutional support for Glass-Steagall banking separation appeared in top British financial circles on July 4, 2012, when the *Financial Times* ran an editorial advocating “formal Glass-Steagall-style” restructuring of the banks, rather than the so-called “electrical ring-fencing” being proposed by the government.

On Nov. 26-27, 2013, the Financial Services bill instituting ring-fencing was passed in the House of Lords, but only after an attempt was made to add an amendment which would mandate “full Glass-Steagall separation” failed by a small margin. The amendment was supported by a host of top British politicians, including Lord Nigel Lawson and Andrew Tyrie, chairman of the House of Commons Treasury Committee.

On Dec. 11, 2013, after the final promulgation of the Volcker rule in the U.S., the *Financial Times* again editorialized for Glass-Steagall instead.

Greece

In December 2013, the leaders of the two main opposition parties, the *Independent Greeks* and *Syriza*, called for Glass-Steagall to be implemented in Greece and throughout Europe.

The newly formed *Drachma 5* party, which calls for a return of the Greece’s sovereign currency, the drachma, also calls in its party program for bank separation along the lines of Glass-Steagall.

Two other new parties, *Plan B* and the *United People’s Front*, have expressed support Glass-Steagall.

Independent Greeks: Chairman *Panos Kammenos* visited Washington on Dec. 3, 2013, where he met with members of Congress and their staffs, urging them to reinstate Glass-Steagall.

On Dec. 7, 2013, on the floor of the Greek parliament, Kammenos called for Glass-Steagall and a New Deal based on the ideas of Franklin Roosevelt, and a New Marshall Plan for the economic reconstruction of Europe.

Syriza Party: Chairman *Alexis Tsipras*, leader of the Opposition, on Dec. 15, 2013, called for a Glass-Steagall law for Europe, during the conference of the European Left Party, in Madrid, Spain.

Ireland

President Michael D. Higgins has been an outspoken advocate of Glass-Steagall. In a speech to the National University of Ireland, Galway, on May 24, 2013, he identified the repeal of the Glass-Steagall Act in the U.S. as having undermined “traditional prudential banking in favor of a more speculative and less risk-averse model. The global consequences of this innovation were certainly not benign.”

San Marino

A draft bill for Glass-Steagall was introduced on Oct. 29, 2013, by the *United Left* (Sinistra Unita) party. It was presented to the media by SU leader and State Secretary for Education *Francesca Michelotti*.

Spain

The *Asociacion Democracia Real Ya* resistance movement calls in its program for “effective separation of commercial and investment banking, and regulation of the business model, following a system similar to the U.S. Glass-Steagall Act of 1933.”

Edilberto Ruiz Frontela, mayor of Villanueva de Duero, Castile and León, signed the “Arzviller Declaration” calling for Glass-Steagall (see France, above).