

New, Worse Banking Crisis By the End of the Year?

July 13—Marco Zanni, an independent Member of the European Parliament from Italy, was interviewed yesterday on the anti-establishment, U.S.-based website, *Rogue Money*, by site founder “V, the Guerrilla Economist,” along with *EIR*’s Harley Schlanger. Zanni focused on two points: the overall weakness of the EU banks and economy, which requires bank reform, beginning with Glass-Steagall, and the significance of U.S. President Trump’s G-20 summit with Russia’s President Vladimir Putin.

On the EU and the euro, Zanni reviewed the collapsing economy of Italy to highlight the overall problem. He said it is false to speak of economic recovery in the Eurozone—you cannot trust the statements coming from the European Commission (EC) or the European Central Bank (ECB). While the ECB pumping of liquidity may have temporarily saved some big banks from failure, it did so at the expense of the real economy, while doing nothing to address the systemic problems of Europe’s Too-Big-to-Fail banks.

In Italy and Spain, the real rate of unemployment is over 20%, and real income is at 1999 levels. The recent bail-out/bail-in of two Venetian banks and the Monte dei Paschi bank showed the fraudulent nature of ECB policy, highlighting the reality that many banks are carrying unsupportable levels of debt, in the form of non-performing loans and derivative obligations. There is growing anger in the population against the EC and the

ECB, as well as against the Italian government for submitting to them.

Zanni said there are moves in the European Parliament, and especially in the Italian Parliament, to enact a banking reform policy, which includes Glass-Steagall banking separation, which his group is supporting. If this does not happen, he forecasts a new, more serious banking crisis by the end of this year or in early 2018, saying that this might lead to an Italian exit from the euro.

EDITORIAL

Asked about his view of the Putin-Trump summit, Zanni said he has been watching Trump “with great interest.” He has a “very positive view” of the Trump-Putin meeting. “Not all of Europe is against Trump, as the media tries to make it sound.” He said Europe needs strong economic relations with Russia and China, and Trump is pushing in that direction. There is now a great opportunity to create cooperation between Europe and Russia, driven by Trump, and to extend this to Asia.

Zanni concluded by saying Europe needs to have functioning sovereign states, otherwise it will fail.

The [interview](#) will be posted by tomorrow. The *Rogue Money* website has a strong following of anti-establishment networks, and its interviews are often reposted by others. It carries a weekly, twenty-minute interview with Schlanger, and is now frequently posting material from [LaRouche PAC](#), with links to the site.