

# 40 WEEKS EARL BLUMENAUER #27 Reinstate Glass-Steagall 40 IDEAS

## Background

Nearly four years have passed since the collapse of the financial markets. The causes of that disaster are plentiful: from greedy, even criminal business behavior, and lax or nonexistent oversight to regulators asleep at the switch perpetuated by a broken political system. Unfortunately, we have not yet taken strong, decisive action to address those problems and therefore risk once again standing at the precipice of global economic disaster.

While there is no one solution, no silver bullet, to solve the current free-for-all in which we find ourselves, this doesn't mean there is nothing we can do. Congressman Blumenauer believes there is a way forward by simplifying, regulating, and, yes, prosecuting.

## Solution

First, simplifying: [Congress should reinstate Glass-Steagall](#), the Depression-era bank regulation that prevented Wall Street investment firms from gambling with money leveraged from savings and retirement accounts in affiliated commercial banks.

Congressman Blumenauer has also been fighting to give teeth to useful provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act such as the [Volcker Rule](#), which would limit conflict-ridden, high-risk trading activities. These provisions must not have loopholes that add ambiguity and complexity to the law.

In addition, Blumenauer supports modernizing and fully supporting the regulators who are in charge of enforcement. Regulatory agencies remain understaffed and outgunned when compared to the big banks. For example, the Commodities Futures Trading Commission (CFTC), just had their workload greatly increased, but did not gain any additional employees. Last year, the 310 employees at CFTC took 1,800 meetings and responded to more than 35,000 public comments. This untenable workload means that they can't regulate as they should. The head of CFTC compared the situation to adding 8 times as many games to the NFL season, but keeping the same number of referees.

Finally, we need to put wrongdoers in jail. Small fines and empty threats are not enough to keep people who are illegally twisting the system in check. They need to know that we will pursue them, prosecute them, and send them to jail, if guilty.

These steps will help us regain control of the financial system, reinstating fairness and security and confidence of public.

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