

PATRICK KENNEDY TO INTRODUCE BILL TO REPEAL GRAMM-LEACH ... MAYBE

One thing that astounds me about this whole financial crisis is that no one—no one—in a position of power has seemingly considered undoing the damage that was done when Gramm-Leach-Bliley started allowed agents to dress up as banksters, banksters to dress up as stock brokers, and stock brokers to dress up as insurance agents. Rather than passing new legislation to set up a super regulator to regulate companies that are too big too fail, wouldn't it be smarter to go back to the laws that prevented companies from getting too big to fail in the first place? And even if there are good reasons not to go back, don't you think we ought to at least consider it?

So I was thrilled yesterday when Patrick Kennedy said he was going to introduce a bill to repeal Gramm-Leach-Bliley.

One thing that I think is maybe one of the many causes of this and that I will hold myself accountable for is voting for the Glass-Steagall reform. And I, for one, am going to introduce legislation to repeal that repeal. Because I don't believe we ought to be having, as has played itself out, AIG insurance companies doing banking business and banking businesses doing insuring business. And having apples over here and oranges over here and everybody's getting these financial products all mixed and matched. You've got derivatives and debt swaps and what are these things happening, you've got people taking loans out and then taking insurance out on the loans because of

another part of the company. I mean it just seems we're rife with conflicts of interest.

Cool! I thought! We can finally talk about putting oranges and apples back where they belong!

So I called Kennedy's office to find more details. And it sure sounds like Kennedy is less convinced he's going to pursue repealing the repeal. Here's his statement.

"We are in the middle of a crisis that has reached around the globe and hit home in Rhode Island. Now is the time to have an open and honest conversation about every aspect of our nation's financial system. Through my work on the Oversight committee, I look forward to being part of this conversation and making up for eight years of lost time. While we need to take a good hard look at the legal framework established under the Graham-Leach-Bliley Act, this issue is much bigger than any single law.

"Congress and the American people need to address our broader financial regulatory structure as well as the culture on Wall Street that enabled the mistakes of the past decade. I am proud to be continuing this conversation and have reached out to my colleagues on the Financial Services committee to explore the best available options.

"After the events of the last two years, I think we owe it to the American taxpayer to put every option on the table," said Kennedy.

Sure, this is a bigger issue than any one law. But isn't that the point? Companies that are bigger than the laws that regulate them?

It sounds like there are few on Financial

Services Committee who have given this much thought. I hope Kennedy persists here, because we need to at least ask the questions he's asking.