

**Question for written answer Z-13/2012
to the European Central Bank
Rule 118
Mario Borghezio (EFD)**

Subject: Italian banks are not investing the funds obtained from the ECB to support the development of enterprises

The revelations made in an article published in the Columbia University magazine on 6 February 2012, containing statements by the Nobel laureate in economics and professor of economics at Columbia University, Joseph Stieglitz, according to whom the ECB's decisions were based on the guidelines of a little known organisation called 'International Swaps and Derivatives Association', are nothing short of alarming.

With regard to the demands being made of Italy and Spain and the cuts being imposed on Greece, the article reads as follows:

'.....the final oddity of the ECB's stance concerns democratic governance. Deciding whether a credit event has occurred is left to a secret committee of the International Swaps and Derivatives Association, an industry group that has a vested interest in the outcome. If news reports are correct, some members of the committee have been using their position to promote more accommodative negotiating positions. But it seems unconscionable that the ECB would delegate to a secret committee of self-interested market participants the right to determine what is an acceptable debt restructuring. The one argument that seems – at least superficially – to put the public interest first is that an involuntary restructuring might lead to financial contagion, with large eurozone economies like Italy, Spain, and even France facing a sharp, and perhaps prohibitive, rise in borrowing costs.....The ECB's behaviour should not be surprising: as we have seen elsewhere, institutions that are not democratically accountable tend to be captured by special interests. That was true before 2008; unfortunately for Europe – and for the global economy – the problem has not been adequately addressed since then'.

Does the ECB not think it should give greater consideration to the role of this secret organisation, to which some extremely influential 'gnomes' of global high finance apparently belong, and to the influence it is actually having on ECB decisions, in particular those relating to the financial situation of countries such as Greece, Italy, Spain and France? What is the ECB's view of the apparently direct relations between a mysterious member of the steering committee of that body, Professor Lim Teng Joon of Singapore, and Italian Prime Minister Mario Monti, which apparently included an important and confidential meeting held recently in New York, which official Italian government sources did not think it necessary to account for?