

The Financial Crash and the Repeal of the Glass-Steagall Media Conspiracy

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A funny thing happened in 2012 after Andrew Ross Sorkin, a financial writer at the New York Times, wrote his spectacularly false narrative telling readers that the repeal of Glass-Steagall Act had nothing to do with the crash because problem firms like Lehman Brothers, Merrill Lynch and AIG didn't own insured commercial banks — which would have been prohibited under the Glass Steagall Act, had it not been repealed in 1999. In fact, all three of the firms did, indeed, own banks insured by the FDIC at the time of the crash.

We figured that Sorkin had just made an error, or, well, three monster errors, so we wrote to his editor. We heard nothing. We wrote to the New York Times public editor who is supposed to uphold the integrity of the paper. Nothing. We wrote to the publisher. Nothing. To this very day, [the errors remain in the Sorkin article](#). When the so-called paper of record allows three outrageously wrong errors to persist as fact, it doesn't look like sloppy journalism, it looks like a conspiracy to deny the public an honest narrative.

Sorkin's lie has since been regurgitated by two other writers at the New York Times: [Paul Krugman](#) and [William Cohan](#). The lie has also spread to [President Obama](#) and Presidential candidate, [Hillary Clinton](#), as a cover for why they won't buck Wall Street and work to reinstate this critically needed legislation as Senators Elizabeth Warren, John McCain, Bernie Sanders and dozens of others in Congress are demanding. [Marcy Kaptur's legislation](#) in the House of Representatives to restore the Glass-Steagall Act has 67 cosponsors.

The New York Times seems disingenuous at best and conspiratorial at worst: admitting in an editorial that it blew it big time in advocating for the repeal of Glass-Steagall while hiding in the wings as its writers are allowed to push a false narrative that the New York Times refuses to correct.

The editorial page [editors wrote on July 26, 2012](#):

While we are on this subject, add The New York Times editorial page to the list of the converted. We forcefully advocated the repeal of the Glass-Steagall Act. 'Few economic historians now find the logic behind Glass-Steagall persuasive,' one editorial said in 1988. Another, in 1990, said that the notion that 'banks and stocks were a dangerous mixture' 'makes little sense now.'

"That year, we also said that the Glass-Steagall Act was one of two laws that 'stifle commercial banks.' The other was the McFadden-Douglas Act, which prevented banks from opening branches across the nation.

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