WHILE THE ECB FOCUSES ON PRICES DRAGHI WANTS ACTION ON DEBT-CRISIS AGREEMENTS

The European Central Bank President Mario Draghi pushed back against the politicians and investors asking him to do more to end the sovereign debt crisis, expressing their impatience with leaders' failure to act. In Frankfurt today, Draghi said in a speech that the ECB would quickly lose credibility if it departed from its primary role of keeping prices stable. 'Where is the implementation'' of government pledges to bolster the region's rescue fund, he asked. ''We should not be waiting any longer.'' The comments suggest that Draghi is unwilling to make large-scale bond purchases to extinguish a debt crisis that has spread from Greece to Ireland, Italy, Portugal, and Spain, threatening to tear the 17-nation monetary union apart. While the ECB is trying to intervene in the debt markets in an attempt to lower soaring yields, it's refusing to unleash the unlimited firepower that some governments are calling for. ''Losing credibility can happen quickly -- and history shows that regaining it has huge economic and social costs,'' said Draghi. Keeping the prices stable ''is the major contribution we can make in support of sustainable growth, unemployment creation and financial stability. And we are making this contribution in full independence.'' Also, the ECB Executive Board member Jose Manuel Gonzalez-Paramo said in Madrid that it is not the central bank's role to act as a lender of last resort to governments. Today the ECB bought Spanish and Italian debt, sending yields lower, said at least three people with knowledge of the trades who declined to be identified because the deals are private. The yield on Italy's 10-year bond dropped to 6.7 percent from above 7 percent earlier this week, the level that triggered bailouts for Greece, Ireland, and Portugal. ECB policy makers that are attending the Frankfurt conference declined to comment on a report in Germany's Frankfurter Allgemeine Zeitung that they have agreed to a weekly limit of 20 billion euros ($27 billion) on sovereign debt purchases. Since its purchase program started in May of last year, the ECB has spent 187 billion euros on government bond. It drains the same amount of money from the banking system to ensure the extra liquidity created by the purchases doesn't fuel inflation. The debt crisis is forcing governments to implement austerity measures, which is pushing Europe toward recession and threatening to curb global growth. U.S. President Barack Obama has urged more action from our European counterparts. On Nov. 16, the French Finance Minister Francios Baroin said in a speech in Paris that ''the best way to avoid contagion is to have a solid firewall'' by using central bank support for Europe's 440 billion-euro rescue fund, a proposal rejected by German Chancellor Angela Merkel. ''Confidence in a currency tied to the rule of law cannot be gained on the basis of illegal actions,'' said the Commerzbank AG Chief Executive Officer Martin Blessing in Frankfurt today. ''The treaties would have to be changed beforehand.''