It's Time to Rally for Financial Reform

By Danny Schechter
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To paraphrase Marat-Sade: 'the Election came, and the election went, and unrest turned back into discontent.'

The Dems lost two Governors, one an unpopular former high honcho at Goldman Sachs, not exactly a populist crusader, and picked up one house seat in a Congressional District no oever heard about before.

They hope that all the recovery-is-coming news will stem the tide of growing disenchantment with the centrists in Obamaland who have been swimming hard to stay in place.

As the sense of crisis seems to be abating thanks to lazy media reporting, Rahm Emamuels suggestion that a crisis is a terrible thing to waste seems itself a distant memory.

We may or may not get a health care reform but how many of us now believe it will transform much or even significantly lower costs as long as the industry is allowed to dilute proposals for both public option and single payer.

While Nancy "the Hare" Pelosi is pushing for a vote right away, Harry "the tortoise" Read says we will have to wait until next year.

So much for a sense of urgency, but at least there is some motion on that ocean.

Not so for also urgently needed financial reforms that are being blocked by our friendly financial tycoons, even as our kissing cousins across the pond move to break up their big banks.

Inaction is scary enough but even more alarm bells are bring rung by Eliot Spitzer, once the "Sheriff of Wall Street" until his pecker got in the way of his assaults on the pecking order.

George Washington of Washington's Blog reports:

> "Yesterday, Elliot Spitzer said that the White House's defense of the financial status quo will give Republicans powerful ammunition in the 2010 elections.

Democratic cheerleader Markos Moulitsas (the "Kos" behind Daily Kos) wrote the following about the Democratic losses in several state elections:

> 'Democratic turnout collapsed. This is a base problem, and this is what Democrats better take from tonight:

> … If you water down reform in favor of Blue Dogs and their corporate benefactors, you will lose votes…
>
> If you forget why you were elected — … financial services … reform — you will lose votes..,'
>
> People are sick and tired of both parties' catering to the big boys. Indeed, given last night's election results and the Dems' utter failure to institute any real financial reform, trend forecaster Gerald Calente's prediction that a third party candidate will win the 2012 presidential election is sounding a little less crazy."

Writing on New Deal 2.0 Spitzer explains why he believes the right will jump on this issue perhaps even outflanking the Obamacrats:

> "Few things are as potent in politics as calling for change at a moment of fundamental dissatisfaction with the status quo. Nobody should know this better than the current White House. Gauzy words describing the possibilities for change are always more comforting than defending the current dire straits. That is why — in addition to all the substantive arguments — the current White House plan for banking reform is so troubling.
>
> Let us fast forward a couple of months. Momentary GDP pops notwithstanding, the economy next year is likely to be in pretty sad shape. Consumer spending is sagging; foreclosures are still climbing (and may surge as ARMs re-set); unemployment is likely to be hovering in the 9.5-10.0 range; federal deficits and state deficits will be soaring; and Goldman profits will still be setting new records.
>
> Added to this toxic political brew will be a new, and perhaps counter-intuitive, but highly successful political attack from the RIGHT: break up the banks. Imagine this: by next spring, an intellectual consensus will have emerged that the concentration in the banking sector that developed from the 1980s until the crash of '08 was misguided. Voices as disparate as Former Fed Chair Paul Volcker, Bank of England Governor Mervyn King, meta- investor George Soros, and the Wall Street Journal editorial page will be in agreement on this point."

Blogger Zach Carter says it is essential for progressives to get out in front and take a stand now, writing: "If we want the economy to support all people, we have to break up the big banks and start treating the creation of good jobs as an economic priority on par with Wall Street rescues.

The editors of The Nation break the political debate over banking into three camps:

The first camp is composed of bank lobbyists, Republicans and conservative Democrats and wants to do nothing.

Camp two, endorsed by the White House and influential Rep. Barney Frank (D-MA), would impose tougher regulations on too-big-to-fail banks to keep them from getting out of control.

The third camp wants to go even further: If a bank is too-big-to-fail, it is also too-big-to-regulate. Companies that pose a danger to the economy have to be split up into smaller firms that cannot induce economic ruin."

This third camp is growing with conservatives realizing that unless they radically reform the system, it will remain volatile and unstable. Isn't it time for those of us who still cling to the hope that real change is needed to start focusing on this issue and realize that the power of big money is standing in the way of what we want and need.

Can't we become at least try to become champions of those confronting higher fees imposed by banksters and endless foreclosures leaving millions without homes or hope. Extraction demands reaction. Plunder demands protests and pitchforks!

Can't we remember that catchy phrase so many of us once echoed in the glow of an earlier time just a year ago?

"YES WE CAN."

Danny Schechter, Mediachannel's News Dissector, is finishing a new film on the financial crisis as a crime story. His new book is THE CRIME OF OUR TIME (plunderthecrimeofourtime.com). Comments to dissector@mediachannel.org

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