

# Wall Street Ends Hope for Homeowners Via Congress

By [Shamus Cooke](#)

Global Research, June 07, 2009

7 June 2009

Region: [USA](#)

Theme: [Poverty & Social Inequality](#)

As if the bank bailouts weren't proof enough that Wall Street owned Congress. History will likely show that these bailouts involved the largest transfer of wealth ever — from the working class to that small group of billionaires who own the corporations.

This fact is recognized by most people now and is such common knowledge that even the mainstream media feels comfortable discussing it...matter-of-factly.

These corporations have also exerted tremendous influence in other realms of politics, working towards destroying Obama's campaign promises of health care, job creation, civil liberties, the Employee Free Choice Act, peace, etc.

In each case, the promised reform was gutted of its essence, and "compromise" versions of the bills are now being discussed: instead of universal health care, we will likely be universally mandated to purchase health insurance; instead of "job creation" we are told that the stimulus has "saved jobs" (contrary to the evidence); while troops are "drawing down" from Iraq, the war in Afghanistan/Pakistan is being escalated; instead of allowing workers to organize unions easier, a compromise version - Employee Free Choice Act, minus card check — seems more politically "pragmatic," etc.

Even Obama's smaller reforms face similar partial abortions in Congress. For example, Obama recently signed into legislation the Helping Families Save Their Homes Act. But, as The New York Times pointed out, the bill "was missing its centerpiece: a change in bankruptcy law he [Obama] once championed that would have given judges the power to lower the amount owed on a home loan." ( Ailing, Banks Still Field Strong Lobby at Capitol, June 6, 2009)

Obama was not demanding that foreclosures cease, or that those who've recently lost their homes — because of the economic crisis — be allowed to return to them; he was merely advocating that those who can still afford mortgage payments be allowed to lower their balances.

Even this small crumb for homeowners was rejected by Wall Street, whose profits would have suffered.

The New York Times explains: "... the [bills] real threat was to their [the banks] profits. The proposal would have shifted negotiating power to the millions of troubled homeowners who could use the threat of bankruptcy to wrest lower monthly payments from lenders."

This truth prompted an oddly blunt reply from Democratic Senator Sheldon Whitehouse:

“This is one of the most extreme examples I have seen of a special interest wielding its power for the special interest of a few against the general benefit of millions of homeowners and thousands of communities now being devastated by foreclosure.”

The New York Times article also quieted those apologists for Obama who claim that he is an honest leader held back by an unreasonably conservative Democratic Congress:

“Throughout it all, the banks took advantage of the Obama administration’s seeming ambivalence. Despite its occasional populist rhetoric, the White House was conspicuously absent from weeks of pivotal negotiations this spring.”

And:

“While Mr. Obama reaffirmed his support for the proposal shortly after becoming president, administration officials barely participated in the negotiations, a factor that [corporate] lobbyists said significantly strengthened their hand.”

It must be noted that the corporation’s next big demand on the government will be to eliminate the tremendous U.S. debt, which they rightly view as a destabilizing factor for making profits. The problem lies in how they will propose to correct the problem: through the gutting of the U.S. social safety nets such as Social Security, Medicare, Medicaid, and other programs that benefit working families and the poor.

This government debt is the direct result of trillion dollar bank bailouts and wars of aggression that benefit only the rich. The working class, however, is being enlisted to pay for these policies.

The New York Times article ends with an important lesson:

“There was no counterweight to that [the banks] legislative muscle. Bankrupt homeowners do not have a political action committee or lobbyists.”

And while labor unions do have lobbyists, they cannot compete with the purchasing power of the banks. The fact that these two groups are both members of the same political party — vying for the ear of the same politicians — is utter lunacy. This tactic has yielded absolutely zero results for workers: every progressive promise of Obama’s has been butchered beyond recognition, or outright ignored.

This is because the Democratic Party is a party of big business, now more than ever. This fact is especially important in these times of economic crisis, where corporations are — because of shrinking profits — becoming louder in their condemnation of unions, while being emboldened by Obama’s horrendous anti-labor handling of the General Motors and Chrysler bankruptcies.

The political power of the corporations is dramatically exposing the rotten nature of

America's political and economic system — represented by the Republicans and Democrats — where the tremendous wealth of a small group allows them unprecedented power at the expense of millions of others. Without an independent political voice, the working class will continue to be "betrayed" by Democratic politicians whose pie in the sky campaign promises fail to yield even crumbs.

*Shamus Cooke is a social service worker, trade unionist, and writer for Workers Action ([www.workerscompass.org](http://www.workerscompass.org)). He can be reached*

The original source of this article is Global Research  
Copyright © [Shamus Cooke](#), Global Research, 2009

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [Shamus Cooke](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)