

Wall Street is Winning—and, on the Verge, of Neutering Reform: Call to Act Now: Save and Strengthen Financial Reform

By [Danny Schechter](#)

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We have less than a month to go before the Congress votes on financial reform.

Ironically, the deadline seems to be July 4th, our independence day, an occasion that will likely usher in ever more dependence on Wall Street despite appearances.

The conference on the Hill formally begins this week after weeks of behind the scenes legislative “reconciliation”—a fancy name for horse-trading and compromising between the House and Senate over different versions of the “reforms” with thousands of lobbyists for the financial industry using every trick in their infinite playbooks of persuasion and pay-offs to assure that the final bill is loop-hole full, weak and easy to maneuver around.

Matt Taibbi reports real reform is a goner, “The financial-services industry has reportedly flooded the Capitol with more than 2,000 paid lobbyists; even veteran members are stunned by the intensity of the blitz. “They’re trying everything,” says Sen. Sherrod Brown, a Democrat from Ohio. Wall Street’s army is especially imposing given that the main (really, the only) progressive coalition working the other side of the aisle, Americans for Financial Reform, has been in existence less than a year - and has just 60 unpaid “volunteer” lobbyists working the Senate halls.”

New York Times columnist Joe Nocera raises some questions that confirm my own suspicions, “it’s not too early to ask: “Will the bill that emerges from this conference do what it is intended to do? Will it prevent another crisis? Will it put an end to government bailouts? The painful answer is: probably not ...There is something oh-so-reasonable about these bills, as if Congress was worried that they might do something that would — heaven forbid! — upset the banking industry.”

With the media focused on the oil spill, or the confrontation on the high seas off Gaza, the public is more distracted than ever. The financial crisis coverage has lost what little moral edge it had, and reverted to complex details and nuanced distinctions that sail right over the heads of a public that has seen little real change in its economic situation, as unemployment stays high and foreclosures mount.

The economy is bad and getting worse: just look at the lack of new jobs in the private sector in the new jobs report. Stagnation has set in.

As the financial crisis deepens, our media focuses on markets, not misery.

A detailed report by the media watchdog FAIR notes, “Wealth Gap Yawns—and So Do Media: Little interest in study of massive race/gender disparities.”

What we are seeing on our stormy financial waters is a flotilla of falsehood, a media farce of posturing that ignores needed structural changes. Pointedly, the Economist magazine cover features a shark circling in the water with a headline warning of a “double-dip recession. The Eurozone is barely holding on. Panic is back with a “mini-depression ” predicted.” Many experts warn: another collapse is coming.

The “real” economy has become a surreal economy.

Meanwhile, the banksters and their allies here are doing their best to bamboozle us with false confidence while making this fight seem as boring and hard to follow as possible. Their message is: let us handle it because it is too complicated for mere mortals like the American people.

There are many unresolved arguments over the bill’s language but one reality seems clear already: no one on Wall Street is considered responsible for the collapse of our economy that has led to so much joblessness, homelessness and hopelessness, and no one will be held responsible or be going to jail.

Foreclosures in 2008 were nearly 4 million, 21 percent higher than 2008, the worst since the depression. And yet, there are fewer and fewer prosecutions of white-collar crime, even as the FBI condemns an “epidemic” of mortgage fraud.

Not only are scammers getting off free; they are being overpaid in the process— allowed to keep their gargantuan bonuses and obscene salaries.

The question is not what can we do about this? The real question is can we afford to do nothing?

What happens, if we remain silent, and let them get away with it?

It seems obvious that as the people who made this mess are rewarded, we will continue to watch our own economic security get more precarious. Even scarier, without deep structural reforms, experts say, we can expect more crashes, more meltdowns and the crisis getting more critical.

Right now, Wall Street is winning—and, on the verge, of neutering reform. That’s why bank stocks went up when the “reform” bill passed the Senate.

Nouriel Roubini, the economist who predicted the collapse of the markets asks; “What then, are the prospects for reform and renewal? At the very least, this route is likely to be long, hard and strewn with setbacks. It may not be chosen ... until there is system failure.”

Is that what faces us, a “system failure?” Let’s hope not.

Paul Volcker, the former head of the Federal Reserve Bank, seems very troubled, writing recently, “The Time We Have Is Growing Short” while admitting, “None of these reforms will assure crisis-free financial markets in the years ahead. The point is to keep the inevitable excesses and points of strain manageable, to reduce their scale and frequency...As we well

know, the critical policy issues we face go way beyond the ... regulation of financial markets.”

Amen. Do they ever!

It is with a sense of urgency that we should call for a month of intense public education on the crimes of Wall Street. We are urging activists who agree there must be a jailout, not just a bailout, to engage on this issue. One thing we can do: set up screenings -in homes, communities, libraries, and schools of my new feature length documentary film, PLUNDER THE CRIME OF OUR TIME, so the public can see how fraud, deception and criminality bankrupted our economy and is ruining our lives. (List your screening on Brave New Theaters.)

This crime narrative is, surprise, surprise, missing in the media

To get the DVD, visit the website www.Plunderthecrimeofourtime.com. The film is also available on iTunes and wherever DVDs are sold.

There won't be demands on Congress to pass real reforms unless and until the public recognizes HOW we were robbed and demands changes and punishment for wrong doers.

Understands that we are in our rights to demand that those who broken laws, defrauded homeowners, and flimflammed the economy to be held accountable. Over 1500 bankers went to jail after the S&L crisis. Almost, none are being prosecuted today.

So please join me in understanding that this financial crisis was not caused by “mistakes” by some of the smartest people in the world, but by arrogance, greed, and yes, crime. We must rein in their plunders to restore some modicum of economic justice.

It's not enough to offer up programmatic reforms-like, for example, regulating derivatives without also resonating with the anger and outrage that people have. As one Reuters report put it, they want “Heads on Spikes,” not just polite academic arguments.

We must arm ourselves with information or harm ourselves. Period.

There are many other excellent educational resources by many authors and filmmakers to draw upon. Mine include <http://indebtwetrust.com>” IN DEBT WE TRUST, (2006) the film that forecast the credit crunch; my books PLUNDER: Investigating Our Economic Calamity (Cosimo Books) and a companion volume to the film, THE CRIME OF OUR TIME with more detail on the crimes of Wall Street. Visit the <http://plunderthecrimeofourtime.com>. Pass the word to your friends and lists.

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The Economy We Save May Be Our Own,

Comments Welcome: You can reach, Danny Schechter, your news dissector, at dissector@mediachannel.org

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