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Wall Street doesn't know what "enough" means

By Sam Webb

Wall Street's appetite for profits is insatiable. Don't expect the titans of finance to say "Enough" when it comes to their "earnings." The word isn't in their vocabulary.

Here's a case in point, an outrageous one.

Last year the Democratic Congress passed the Dodd-Frank bill, which placed some limits on the power of Wall Street.

It wasn't a tough bill by any means. It didn't kill the goose laying the golden eggs. Wall Street, in fact, is still making record profits, doling out lavish compensation packages to its executives, and doing many of the same things that got us into this crisis in the first place.

What the bill did do is increase capital requirements (the amount of money financial institutions have to put aside for losses); impose some restrictions on executive compensation; put some limits on risky trading; and rein in rating agencies such as Standard and Poor's that in the lead-up to the crisis received fees from the very financial institutions whose creditworthiness they were supposed to rate.

Dodd-Frank also set up an oversight board composed of members of the existing regulatory agencies led by the Federal Reserve Bank. The board has two roles, according to the bill. One is to assess the level of so-called systemic risk - the



danger of a system-wide financial implosion like what occurred in 2008. The other is to take preventive measures against financial institutions - investment and commercial banks, mutual funds, hedge funds, etc. - including shutting them down, if their actions endanger the economy.

Dodd-Frank also established a Consumer Financial Protection Bureau to write and enforce requirements for consumer loans and other consumer credit products in order to prevent fraudulent lender practices.

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The passage of this bill was a good day's work. But again, it is modest in its impact and scope.

It could have drastically curbed the use of derivatives - Warren Buffet's "financial weapons of mass destruction." - banned hedge funds, estab-

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lished an independent regulatory board and broken up mega financial institutions or, better yet, turned them into public utilities.

But it regrettably, though not surprisingly, stopped far short of enacting these more radical, but necessary and democratic, measures. The financial industry was given a slap on the wrist, but it wasn't taken to the woodshed.

Still, even this bill was too much for the lords of finance capital to stomach. No sooner had it passed than the Wall Street machine went into overdrive to drastically weaken, if not crush, its implementation.

A review of the data shows that the biggest financial firms and trade associations collectively spent \$27 million in the three months ending March 31 this year. That's a 2.7 percent increase from the \$26.3 million spent in the comparable period in 2010.

In other words, finance capital is spending more to weaken Dodd-Frank and its implementation than it spent in the first quarter a year ago when Congress was writing the bill.

Joining them in this full-bore attack are Republicans in Congress who, in the face of over-

whelming evidence of the need for financial reform, strenuously oppose even the most modest restrictions on financial institutions.

What is striking is not that finance capital let its dogs out and that they are doing its dirty work. Nor is it that Wall Street is resistant to reforms that might bring some stability and rationality to the financial system.

Nor is it that the Republican Party has turned into a cesspool of right-wing extremism, which in its outlook and policies does the bidding of finance capital and other reactionary sections of the capitalist class.

What is striking is that in the present era of capitalist development even small victories on the progressive side of the ledger are never secure. And the only thing that will change this is people's politicians and popular legislative majorities fighting "the good fight" within the halls of Congress in concert with an aroused, sustained and united struggle of millions outside the halls of Congress.



Sam Webb is chair of the Communist Party USA.

The Freedom Rides turn 50

By PW Editorial Board

Recently, we marked the 50th anniversary of the beginning of the Freedom Rides, that heroic movement of young men and women that helped break the back of legal segregation in the South.

The Freedom Rides helped achieve a turning point in the battle for democracy. The civil rights legislation of the 1960s remains one of its enduring achievements. Broadly speaking, the election of Barack Obama a half century later would not have been possible but for the sacrifices of students who went South braving jail, beatings and even, as in the case of Chaney, Goodman and Schwerner, death.

Today however, these victories and those that preceded them are under intense assault. The Republican extreme right seems determined to roll back history and do away with many of the programs the struggles of the Freedom Riders helped give rise to.

At the same time, more quietly perhaps but no less steadily, advances toward economic equality have been severely set back by the Great Recession and the ravages of the capitalist econo-

my. The sub-prime mortgage crisis has wreaked havoc in black and brown communities, unemployment in those communities is twice the national average and hunger and poverty are rising. In addition, the public sector, the single greatest contributor to gains in jobs and wage equality for black and brown Americans, is experiencing the brunt of the ruling class assault.

Make no mistake: this calculated attempt to break the back of organized labor, while affecting all workers, has deeply racist implications.

Two years ago Leo Gerard, president of the Steelworkers union, called for a new civil rights movement among today's youth and students, to focus on the right to a job. Gerard suggested a new militancy is needed to meet the scale of the crisis.

Gerard hit the mark. Today's young Freedom Riders are rising. United with the labor, civil and immigrant rights, women's and LGBT movements they can grow to be a force capable of not only stopping the Republican right, but making achievable advanced democratic reforms like ending economic racism.

The first stop along the new Freedom Ride is in November 2012.

Wisconsin union battle moves to... Massachusetts?

By Ryan Ebersole

The national debate about the collective bargaining rights of unions, which began in the Midwest, has taken a surprising twist. In a 111-42 vote on April 26, the overwhelmingly Democratic Massachusetts state House passed a bill that would limit the right of public employees to collectively bargain for their health care. The debate to divest police, firefighters, teachers, and other public workers of their ability to collectively bargain for their health care benefits now turns to the Senate, where President Therese Murray has indicated some reluctance to take up such a contentious issue.

Union employees and leaders were incensed by this move, perhaps even more so because it came from historically pro-union Democrats.

A union activist who works in the state university system noted that, in this traditionally Democratic state, “there are some pretty conservative Democrats in the legislature who would be Republicans in other states.”

The unions have fought intensely against the passage of the new bill, taking out radio ads decrying the move, and threatening the legislators that they will lose union backing if they vote for the rights-limiting legislation.

Democratic House Leader Robert DeLeo offered concessions in an effort to shore up support from wary legislators. One would grant public employees up to 30 days to address any changes in health care with their local officials to prevent the officials from acting without input from union members. However, at the end of that period, the officials would still be able to enact any changes unilaterally.

The other would have municipalities refund to employees up to 20 percent of any savings achieved from the imposed changes, instead of the 10 percent specified in the original plan.

Even so, the bill still met fierce union opposi-



tion, not surprising in a state that has long supported workers' rights. Some Democrats also opposed the measure, likening DeLeo to Wisconsin Gov. Scott Walker.

DeLeo has said, according to the Globe, that the bill would save \$100 million for Massachusetts cities, avoiding layoffs and reductions in services. “By spending less on the health care costs of municipal employees, our cities and towns will be able to retain jobs and allot more funding to necessary services,” he stated.

Massachusetts, however, has not been the only Democratic-controlled state that has turned to balancing budgets in ways that have left their progressive supporters baffled. California, New York and Connecticut have seen similar attempts. As for Massachusetts, it is unlikely that the House bill will make it to the governor's desk in its current form. State Senate President Murray has said she believes workers should have some say in their health care benefits, and Gov. Deval Patrick has suggested much more modest measures than were advanced by the House. “I am not going to sign a Wisconsin-type bill in the end,” Patrick told the Boston Globe's Michael Levenson.

Gov. Deval Patrick has suggested much more modest measures than were advanced by the House.

A professor speaks out

By Norman Markowitz

On April 27, nine students launched a “study-in” at the office of Rutgers University president Richard L. McCormick. The students soon found themselves in a kind of “lock in” as they were not allowed to retrieve their back packs or get food from supporters outside.

When I found out, at the end of an evening class, I went to the administration building and spoke with the students outside, expressing support. I also emailed the university president and our faculty union urging immediate negotiations with the students to end the standoff before it became a disastrous confrontation.

The students involved in the “study in” and many of their supporters were working through the channels of student government, the University Senate and other student organizations. Unlike many of the mass student demonstrations I remember from the 1960s, their demands were practical and immediate.

First they called for a tuition freeze, scholarships for the underprivileged, ending fees for transcripts, for the university to honor all union contracts - thus showing solidarity with Rutgers faculty and staff - and for the election of voting members of the Board of Governors (the overseers of the university) for themselves, staff and faculty. While the issues were different than in the 1960s, there was one crucial similarity: the non-response of the university administration.

The students eventually ended their study-in after the president promised to “respond” to their demands.

Rutgers graduates on May 15 and union and student activists will be there. Without us, the administration would be left with empty buildings and a football stadium.

Cuba denuncia ‘doble moral’ sobre protección de civiles

Por Prensa Latina

Cuba denunció hoy la doble moral y rasero de algunos gobiernos en materia de protección de civiles y rechazó que se invoque ese concepto como pretexto para conseguir espurios intereses políticos y económicos.

Esa postura fue subrayada este martes por el representante permanente de Cuba ante Naciones Unidas, Pedro Núñez Mosquera, al intervenir en una sesión del Consejo de Seguridad sobre el tema Protección de Civiles.

Como ejemplo de su denuncia, el diplomático señaló la implementación de la resolución 1973 de ese órgano sobre Libia.

Dijo que nada en ese documento autoriza el bombardeo de ciudades y áreas pobladas con el pretexto de acciones humanitarias o de proteger a civiles.

Esas acciones “traen por resultado la muerte de más civiles inocentes, la destrucción de escuelas, casas y hospitales y el aumento del sufrimiento de la población civil”, apuntó.

El embajador cubano preguntó “cómo justificar los bombardeos indiscriminados, el uso de armas y aviones sofisticados y la muerte de personas inocentes, incluso niños, con el pretexto de proteger a otros civiles, también inocentes”.

Igualmente, destacó la ausencia de pronunciamientos de la ONU para el amparo de los civiles que son víctimas de la agresión de la OTAN contra Libia, un país soberano.

Y calificó de escandaloso ese silencio frente al asesinato de inocentes, incluidos mujeres y niños, por parte de las fuerzas extranjeras que agreden a ese país.

En contraposición señaló la pa-

sividad e inoperancia del Consejo de Seguridad frente a la muerte de palestinos inocentes, víctimas del uso excesivo e indiscriminado de la fuerza.

Advirtió que quedan muchos aspectos por aclarar en esa materia, entre ellos quién decide cuándo hay necesidad de proteger, sobre qué bases y criterios se determina las formas de actuar y cuáles son los límites del término.

Cómo evitar que el tema se utilice con fines intervencionistas e injerentistas, indagó.

Cuba rechaza que bajo el pretexto del manto humanitario se adopten medidas violatorias de la soberanía de los Estados, la Carta de la ONU y el Derecho Internacional, insistió al reiterar la condena a la agresión “sea cual fuere el ropaje tras el que se oculte”.

Núñez Mosquera alertó que algunos gobiernos han pretendido desconocer el respeto a la soberanía de los Estados como piedra angular en las relaciones internacionales que no puede ser desechada ni menoscabada bajo ningún concepto.

La ONU no ha podido cumplir su papel de ayudar y proteger a los millones de personas que lo necesitan, particularmente en los países subdesarrollados, debido a “la falta de voluntad política manifestada por los mismos que nos han impuesto un orden económico internacional injusto e inequitativo”, precisó.

Además, por la selectividad y los dobles raseros, la creciente limitación de recursos para el desarrollo y la distorsión en la labor de algunos de sus órganos, en particular el Consejo de Seguridad, en detrimento de la Asamblea General, aseguró.