Students, labor activists, public officials and residents of Shaker Heights, Ohio, wildly cheered a jubilant Barack Obama here Wednesday as the president announced he had by-passed the Congress and appointed former Ohio Attorney General Richard Cordray to be “America’s consumer watchdog.”

With Cordray seated behind him in the school gym, a crowd of some 1,400 at Shaker Heights High School loudly applauded Obama and booed Senate Republicans as the President described how for almost half a year the GOP had blocked a vote on Cordray’s nomination to head the federal Consumer Finance Protection Board.

The president said he was therefore forced to make the appointment now, during the current Congressional recess, if the consumer protection agency established by the 2010 Dodd-Frank financial reform law was to function.

“The financial industry spent millions,” in an attempt to weaken the newly established board, he said. “They have armies of lobbyists in Washington looking out for their interest. You need somebody looking out for your interest and fighting for you, and that’s Richard Cordray.”

Cordray, he noted, was highly recommended by the majority of state attorneys general of both parties throughout the country. The Senate Republicans, he said, know Cordray is “more than qualified” but sought to block the appointment as a way to prevent the board from moving into action to protect consumers from abuses by largely unregulated payday lenders, student loan companies and dishonest mortgage brokers.

Obama said he had patiently sought every way possible to work with Congress to win the appointment as well as to create jobs in construction, keep teachers and safety forces working and to help small businesses and veterans.

But, he said, to mounting applause, “When Congress refuses to act, I have an obligation as president to act without them. I won’t stand by when a minority in the Senate puts party ideology ahead of those we were sent to represent.”

Millions of Americans, he said, were exposed
to unscrupulous practices while the Republicans held up the appointment.

Earlier in the day, he recounted, he and Cordray met at the house of William and Endia Eason, an elderly Black couple. The Easons were approached by a dishonest mortgage broker in 2001 offering to fix their front steps for $8,000. The repairs were never made, the broker disappeared, the Easons ended up owing $80,000 and would have lost their modest home if a local housing advocacy group, backed by Cordray, had not intervened. To loud applause Obama pointed out Mrs. Eason, 91, who was seated in the audience. He thanked her for giving him a freshly baked sweet potato pie that he looked forward to enjoying.

The Easons, he said, worked hard. Mr. Eason had served in the Marines in Korea. They lived modestly. “They earned the right to retire with dignity and respect.” That’s why, he said, he could not let the Republicans “keep holding Richard’s nomination hostage.”

GOP leaders sputtered in anger at the announcement with Republican National Committee Chairman Reince Priebus calling it “crazy” and “unreal,” Senate Minority Leader Mitch McCon- nell saying Obama had “arrogantly circumvented the American people,” and House Speaker John Boehner calling it “an extraordinary and unprecedented power grab.” In fact, Obama has made far fewer recess appointments than each Republican president from Reagan to George W. Bush.

While the Republicans and the U.S. Chamber of Commerce threatened to challenge the appointment in court, the action was hailed by consumer groups and organized labor. On the same day, Obama saved the National Labor Relations Board from imminent collapse by making three other recess appointments that had also been blocked by the Senate GOP.

In a statement, Richard Trumka, president of the AFL-CIO, said, “We commend the president for exercising his constitutional authority to ensure that crucially important agencies protecting workers and consumers are not shut down by Republican obstructionism. Working families and consumers should not pay the price for political ploys that have repeatedly undercut the enforcement of rules against Wall Street abuses and the rights of working people.”

Recess appointments are welcome start to 2012

By PW Editorial Board

President Barack Obama sent a clear message when he made recess appointments naming Richard Cordray head of the new Consumer Financial Protection Agency and filling out the members of the National Labor Relations Board. It was a challenge to Republican manipulations on behalf of Big Finance and corporate plundering.

The Senate Republicans had decided to sabotage the consumer protection agency by denying it a director.

The NLRB appointments are also vitally important for the nation’s workers and their ability to exercise their rights including to bargain collectively for pay and benefits.

The Republicans have made it their priority to attack worker rights and undermine existing labor law and protections - all to benefit their corporate backers’ profit margins. After eight years of George W. Bush, where the NLRB did nothing but do Big Business’s bidding, it has been a welcome relief to have this government agency actually fulfill its mission - upholding and enforcing the country’s labor laws. So the Republicans sought to stop it from functioning.

The sound and fury emanating from the likes of Senate Minority Leader Mitch McConnell, R-Ky., on Obama’s recess appointments is not a new feature in American politics. The far right has a long and inglorious history of obstructionism and efforts to nullify progressive federal government action - from the 19th century moves to curb and end slavery and then to establish Reconstruction to the 20th century moves to end segregation. This obstructionism really centers around the vortex of race and class, seeking to divide and conquer our multi-racial working class.

Last year, we editorialized that in 2011 the Republican right - emboldened by their obstructionist tactics that helped lead to their 2010 electoral victories - would wage intensified class warfare. And that’s what they did.

Imagine what would happen in 2013 with Republicans in control again of government.

The president’s bold move reflects a similar mood among a broad section of the electorate. It’s a welcome beginning for a crucial election year.
Pollution rule impeded by federal court

By Blake Deppe

On Dec. 30, an Obama administration regulation aimed at cutting power plant pollution was put on hold by a federal court.

The regulation is intended to reduce, in 27 states, pollution that plays a large factor in unhealthy air downwind. However, over a dozen electric power companies, municipal power plant operators, and states had opted to delay this new development until litigation plays out. A Washington federal appeals court approved their request.

Congress Republicans have previously attempted to block this rule, their excuse being that it would stunt the growth of coal-fired power plants and kill jobs. The GOP’s efforts succeeded in the House, but in November, the Senate foiled their attempt to halt the regulation.

The Environmental Protection Agency said it was confident that the rule would ultimately be upheld, though it was disappointed by the delay. The EPA is confident that the regulation would save lives and draw in hundreds of billions of dollars in health care savings from cleaner air.

Progressive environmentalists said they would keep supporting the regulation, and that is imperative in order to ensure that some states meet air quality standards for soot and smog. Concerned activists also note that the new rule would be far more protective than one previously proposed - and rejected by a federal court - in 2005.

This latest anti-pollution development comes as a direct response to the worrying levels of sulfur dioxide and nitrogen oxide from power plant smokestacks, which are carried long distances by wind and weather. As these pollutants drift through the atmosphere, they mix with and react to other substances, forming smog and soot.

Both smog and soot have been linked with several illnesses, including asthma, and have rendered some states and cities incapable of adhering to the health-based standards set by law.

Despite Republicans’ claims that environmental pursuits like pollution cuts are job killers, environmental groups like the Chesapeake Bay Foundation would disagree, according to CNN.


“We’re showing the analysis, the evidence, [and] the data, and people are gonna start believing the truth that environmental protection and a healthy economy go hand in hand.”

A prime example, said the CNN report, was plain to see in Maryland, at the Constellation Energy Brandon Shores power plant, where a worker called a ‘scrubber’ is taking smokestack emissions from coal burning and cleaning the output.

But the Chesapeake Bay Foundation used another means to dispute the GOP’s assessment of anti-pollution regulation. The Foundation developed a report filled with examples and data regarding efforts to clean up the Chesapeake Bay region - efforts which are resulting in a strong up-tick in job growth.

Baker criticized Republicans, noting, “You have elected officials like House Majority Leader Eric Cantor, who just this past summer called environmental regulations ‘job destroyers.’” But Baker said they have provided no proof to back up such claims.
Missouri aims to put minimum wage on ballot

By Tony Pecinovsky

Missouri’s minimum wage workers could be getting a $1 an hour raise next year if a ballot initiative sponsored by the Give Missourians A Raise coalition makes it to the November ballot. The coalition needs to collect about 200,000 registered voters’ signatures between now and May for the initiative to qualify.

Currently, Missouri’s minimum wage is $7.25 an hour.

“About 290,000 Missouri workers would see an immediate raise if the initiative passes in November,” Montague Simmons told the People’s World. Simmons is the St. Louis minimum wage initiative coordinator for Missouri Jobs with Justice, a key member of the coalition.

He added, “About 180,000 additional Missouri workers who make between $8.25 and $9.25 an hour would likely also see a raise. An increased minimum wage will put upward pressure on all wages as employers adjust wage scales.”

The Give Missourians A Raise coalition, a broad-based coalition of unions, community groups, small businesses, clergy and students, passed a similar initiative in 2006 from $5.15 to $6.50 an hour and tied to the consumer price index. The 2006 initiative was supported by the Give Missourians A Raise coalition and passed overwhelmingly with more than 75 percent of Missouri voters supporting the raise.

Polls show similar support for this year’s ballot initiative.

If Give Missourians A Raise is successful, the minimum wage ballot initiative will also help boost voter turnout for the presidential elections. It is expected that most low-wage voters will vote for President Obama and other Democratic candidates.

Editorial: (773) 446-9920 Business: (212) 924-2523
Email: contact@peoplesworld.org

www.peoplesworld.org