Today, I was extremely disappointed to see my liberal colleagues introduce legislation to repeal the bipartisan Defense of Marriage Act (DOMA). DOMA was signed into law 13 years ago by a Democratic President because lawmakers began to see the assault on traditional marriage. Over a decade later, traditional marriage – a principle tenant in our Judeo-Christian values - is under assault more than ever before.

There have been consistent attempts by judges to overturn state law and thwart the will of the people. This judicial power grab, seen most recently in Iowa, will be even more detrimental if DOMA is repealed and this power grab is expanded for federal recognition.

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COMMENT (10) EMAIL PRINT SHARE

September 15, 2009, 3:25 pm

The Big Question, Sept. 15: A year after the financial crisis started, have the bailouts proved to be worth it?

By Tony Romm

Mark Calabria, director of Financial Regulation Studies at the Cato Institute, said:

> Much has been spent, both in terms of dollars and trust, on the financial bailouts, with little gained.
>
> The defenders of the bailouts claimed that "we would not have an economy on Monday," had not the TARP passed and Bear, AIG, Fannie and Freddie not received billions in taxpayer support.
>
> But what exactly have we saved? Easy money, among other factors, drove a bubble in housing and consumption, especially in autos. This bubble was going to burst and employment related to it was going to decline, whether we bailed out AIG and Bear or not. Geithner and Bernanke have yet to examine exactly how many jobs were saved by bailing out AIG for instance. We know from Fed Vice Chair Don Kohn that none of AIG's counterparties would have failed were they to suffer losses – so there was no contagion to be stopped.
>
> What drove the bailouts was fear and panic on the part of our regulators and politicians. Instead of bringing comfort to the markets, their actions showed additional panic. When a President, as did Bush, goes on TV to tell the American public a bill must pass or our economy is doomed, anyone who wasn't in panic before is sure to be now.
>
> The real long term costs of the bailouts will be to reduce market discipline on the part of creditors. Both Paulson and Geithner's policies of making all debtholders whole greatly undermines the ability of capital markets to monitor the behavior of banks. We now are left relying solely on the same regulators who missed the last crisis to catch the next one.
>
> Perhaps the biggest casualty of the bailouts is public's trust in both government and markets. The lack of transparency and explanation surrounding the bailouts has left the public all the more distrustful of leaders in Washington and Wall Street.

Anna Burger, Secretary-Treasurer of Service Employees International Union (SEIU), said:

> When Lehman Brothers fell, they took not just the rest of Wall Street, but all of Main Street, down with them. Yet, one year later, the greedy CEOs who caused the collapse are unremorseful, unrepentant, and virtually unchanged.
>
> You'd think that the collapse of over 90 banks in one year alone would be a

powerful ‘lesson learned’ for the titans at big financial houses, but on Wall Street, it’s back to ‘business as usual.’

Taxpayers who bailed out banks to the tune of $4.7 trillion were then hit with the hidden costs of our bank-induced recession: foreclosures, unemployment and bankruptcies. Now the big banks are hitting us a third time, by lobbying against meaningful reforms that could prevent a repeat of the crisis in the future.

To strengthen the economy over the long-term, we need fiscal reforms that provide real protections for consumers, whistleblower protections so front-line financial workers can speak up and stop predatory practices before they lead to large-scale economic crisis, and legislation like the Employee Free Choice Act to provide a much-needed check on corporate greed. The stakes are too high to keep the status quo.

Robert Weissman, president of Public Citizen, said:

The Special Inspector General for the Troubled Assets Relief Program (SIGTARP) estimates that more than $23 trillion dollars in public money is potentially on the line in the various Wall Street bailout programs -- an amount in real terms more than four times larger than the cost of World War II. This massive government intervention, along with the stimulus, helped avert a Depression.

But that's not to say that what is more commonly called the "bailout" -- the expenditures under the TARP -- were worth it, or, more importantly, appropriately carried out.

Here are five avoidable problems with TARP implementation:

1. The government did not and has not required reciprocity from the bailed-out firms. Apart from insignificant standards in the important area of executive compensation, the government has not demanded changed behavior from the firms it has saved from ruin. Not an end to risky speculation, not mortgage modifications, not even an end to credit card ripoffs.

2. Of the $700 billion in TARP bailout monies, only $50 billion went to mortgage modifications. So the banks that caused the problems get all the money. Borrowers, who are the victims, have received scant help. And the idea of altering principal on outstanding loans -- an absolute necessity when one in three mortgage borrowers is under water -- remains off the table. So does the idea of giving borrowers a right to rent if they cannot pay their mortgage. As a result, the foreclosure crisis continues unabated; Goldman Sachs estimates there will be a staggering 13 million foreclosures by 2014.

3. The AIG bailout served as a backdoor bailout of the giant firms on Wall Street, led by Goldman Sachs, and overseas (where AIG sent half of its credit default payments, after being bailed out). These firms, unjustifiably, escaped even a hair cut.

4. Citigroup should have been taken over by the government rather than gifted with an array of special protections, including a guarantee of up to $290 billion on its bad assets.

5. The bailout has facilitated still further concentration of the banking sector, and greater combination of commercial banking and investment bank operations in single corporate entities. Thus have two of the root causes of the financial crisis -- the too-big-to-fail problem, and the problems stemming from repeal of Glass-Steagall -- been made worse.

The bailout should not be separated from the debate over financial regulatory reform. A reckless financial industry self-immolated and devastated the national economy. The industry, along with the rest of us, was saved from a much worse catastrophe than we experienced only through unprecedented

> government intervention in the economy. Now that same reckless industry leverages its political power to contest even the modest reform measures being considered in Congress. One of the great political failures surrounding the bailout is that, rather than being forced to express shame and apologize, these institutions continue to dominate the policymaking debate.

Dean Baker, co-director of the Center for Economic Policy Research, said:

> The question of bailout/no bailout was always misleading. That was not the choice facing the country. We had to take steps to keep the financial system from collapsing. But, we could have imposed strict conditions on the firms who we gave the money. First and foremost, this would have meant requiring some haircuts for the bondholders and imposing real (as in not Keystone Cop) restrictions on executive pay.
>
> Note, it is not interference in the market to impose restrictions on executive pay as a condition of a bailout. We could have let Goldman, Citigroup and the rest go under if their executives found that being limited to paychecks (including bonuses, stock options etc.) of $1-$2 million was too onerous. These executives could then deal with the lawsuits from shareholders and creditors. As it was, we essentially just handed the banks bucket loads of taxpayer money, no questions asked. That is interference in the market in a really big way.
>
> The fact is that we could have rescued the financial system without further enriching the people who wrecked the economy. But, the folks who designed the bailouts were at least as concerned about Wall Street as they were about the financial system.

Herb London, president of the Hudson Institute, said:

> It is apparent that bailouts have a marginal effect if any at all.Take the so called Stimulus Package as an example. It was argued that this money would create or retain 3 million jobs. However unemployment has gone from 7.2 to 9.7 without the slightest apology or recognition from the administration. In a significant sense this legislation tells the story of bailouts.

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COMMENT (0) EMAIL PRINT SHARE

September 15, 2009, 3:12 pm

Holding EPA and coal plants accountable for pollution

By Mary Anne Hitt, Deputy Director of the Beyond Coal Campaign, Sierra Club

This weekend, a powerful New York Times story revealed that water pollution from sources like coal waste is much more prevalent than originally thought – and it's getting worse. The report points out that several coal companies even admit to disposing of waste with illegally high levels of harmful metals and chemicals.

On Monday, the Sierra Club, Defenders of Wildlife, and the Environmental Integrity Project put the U.S. Environmental Protection Agency (EPA) on notice for being 26 years late in setting limits on toxic discharges from coal power plants, like coal ash and coal slurry.

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COMMENT (2) EMAIL PRINT SHARE

September 15, 2009, 11:47 am

The need for medical liability reform (Sen. John Cornyn)