

Letters from our readers

7 June 2011

On “Record carbon dioxide emissions highlight climate change risks”

It should also be noted that increased CO2 emissions are increasing ocean acidification, which, after a certain point, will simply destroy the base of the food chain, i.e., plankton, coral, etc.

This is by far a more critical issue. Mass flooding we could eventually deal with. The complete collapse of the food chain would destroy humanity outright given a decade.

Bryan D
6 June 2011

On “Indiana enacts most expansive school voucher program in the US”

This article is extremely well written—easily the best I’ve ever read on the school voucher plans. It explains their curiosities and cuts right through the nonsense. It shows very clearly why the working public should oppose them, and simultaneously, by showing that no reversal of the plans of the ruling class is possible through appeals to the existing bourgeois institutions, makes it abundantly clear *why* only a socialist program can possibly resuscitate free public education.

I think the article should be expanded into a pamphlet covering the national voucher movement along the lines of the existing one by Nancy Hanover that exposes the fraud in the student loan industry (“The American Student Loan Racket”).

It should argue very sharply the point that needs to be understood by all who support free public education: if you are working through any of the bourgeois institutions to “save” free public education, then you

are not only not helping to defend it, but you are in fact working toward its final destruction.

It should be sold by Mehring Books for \$2 or \$3 a copy, with a bulk discount.

Charles H
Texas, USA
2 June 2011

On “The New York Times and the Joplin tornado’s ‘silver lining’”

Excellent article, Naomi. I have read much of your coverage on these disasters and this is a fitting commentary to sum it all. The ruthlessness of the liberal establishment is becoming harder and harder to hide. It is daily exposed for the beast it is—that can only survive on the stolen labor of the working class that in more “prosperous” times can be allotted to a somewhat socially oriented role.

Those days are over, and the lion is out in the open hunting. And the wildebeests of the working class are moving, waiting, gathering momentum.

Keep up your most excellent work. It is a life sustaining spring in an arid desert.

Thushara
3 June 2011

On “HBO’s Too Big to Fail: Propaganda aimed at the US population”

Thank you for your review of *Too Big To Fail*. Needless to say WSWS raises issues mainstream corporate media won’t touch. The film seems to omit serious consideration of the immediate factors giving rise to the financial crisis as well as fatal flaws in the federal government’s rescue plan.

More specifically, the film does not address whether the banking crisis should have been treated as fundamentally an issue of solvency rather than liquidity. The banking and investment houses which dealt in risky financial instruments such as derivatives were arguably insolvent and should have been nationalized by the federal government. This would have permitted the write-down of their assets including mortgage-backed securities. This, in turn, would have permitted a reduction of principal on homeowners' mortgages allowing those homeowners to pay down their debt and stay in their homes. Everyone including the banks shareholders, borrowers and customers would have benefited. The only "losers" would be management whose gambling on risky assets caused the crisis to begin with.

Also unmentioned are the consequences of the repeal of the Glass Steagall Act. This repeal hastened the creation of the "shadow banking system" where the financial crisis originated and which the US taxpayers were forced to rescue ostensibly to prevent the crisis from spreading to the real "brick and mortar" economy and retail banking system.

Other neglected issues include whether the pay which the various banking executives receive either in the form of salary or stock options is economically or socially justified. There is no substantive discussion of what derivatives really are and whether they should be permitted to exist at all. For example, what purpose does a credit default swap serve other than to transfer the risk of a bad business decision by one firm to another? And if the original business decision was "bad," then should not the firm which made it suffer the economic consequences in a free-market system?

In this regard a word about Warren Buffett is necessary. Despite his portrayal in the film as a friendly "grandfatherly type," the reality is that when his own financial interests are at stake he is just as vicious an economic predator as any of his other corporate confreres (e.g., Jamie Daimon etc). Although Buffet famously referred to derivatives as weapons of economic mass destruction when regulation of them threatened his investment in Goldman Sachs he quickly came to their defense.

Finally the film fails to mention the United States Supreme Court's infamous Central Bank decision of 1994, which abolished the doctrine of aiding and

abetting under the federal securities fraud statutes. This decision insulated the various malefactors such as law firms, auditors, etc., from liability for the creation of and sale by their clients of financially rotten mortgage-backed securities and other derivative instruments.

I also respectfully ask WSWS readers to consider two other issues. In the entire coverage by corporate media of the current financial crisis (and I include *Too Big To Fail* in this category) no one has posed the question of what firms like Goldman Sachs, Morgan Stanley and their executives and traders actually do to earn the staggering amounts of money which they pay themselves. Do they build schools, bridges, high-speed rail? Do they care for the sick and elderly and homeless? Do they fight to keep working and middle class people from losing their homes through foreclosure and eviction?

Sincerely,

Peter L
Connecticut, USA
4 June 2011



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