

# ***"Too Big to Fail"***

*By ilan Moscovitz  
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*"We've ended the too-big-to-fail debate. No longer do I expect any argument to be made that this bill exposes the American taxpayer."*

*Sen. Christopher Dodd spoke these words after the Senate voted to pass amendments to his financial reform bill, clarifying that taxpayer money would not fund future bailouts.*

*Unfortunately, the Senate hasn't fixed the underlying problem that gives rise to bailouts: "too big to fail."*

*We all remember how this works: Enormous, risky, interconnected banks know it's safe for them to take huge gambles. If the bets pay off, they collect big bonuses. If they fail, taxpayers will pick up the tab -- because otherwise, the economy implodes.*

*Nothing has changed in banking. Citigroup (NYSE: C), Bank of America (NYSE: BAC), and JPMorgan (NYSE: JPM) each hold more than \$1 trillion of kindling on their balance sheets. Together with Goldman Sachs (NYSE: GS), Wells Fargo (NYSE: WFC), and Morgan Stanley (NYSE: MS), they control 63% of the nation's GDP (in assets). Wall Street continues to hold our economy hostage. The Senate is promising that the United States won't pay ransoms in the future; but in the ultimate political ransom, it neglected to ban hostage-taking.*

*Unless we end "too big to fail," banks know that the market cannot hold them responsible for their mistakes. The next time that such a catastrophically huge bank into trouble, we'll face the same dilemma we had in September 2008: bail it out, or risk economic collapse.*

*OK, so why not just end "too big to fail"? The SAFE Banking Act recently came up for a vote. This amendment, which would have limited the size of bank liabilities to the \$300 billion to \$400 billion range, was literally "a vote to end too big to fail."*

*It didn't pass.*

*Why did 61 senators vote to preserve -- instead of fix -- the problem? It can't be because megabanks are better for the economy -- there are no efficiencies of scale in banking beyond \$100 billion. Nor is it because megabanks charge lower fees to their customers -- they don't.*

*Instead, Donny Shaw of A New Way Forward discovered that senators who voted to perpetuate "too big to fail" received an average of \$3.5 million in campaign contributions from the financial sector during their career -- twice what those who voted in favor of the bill received.*

*Now, 33 senators did stand up to lobbyists by voting for this amendment. But just as it's important to hold banks responsible for their failures, it's only fair that we hold politicians responsible for theirs. And the vote on this critical issue was buried in a busy news day that included the market flash crash -- presumably in order to shield the 61 senators who voted with Wall Street.*

*So without further ado, here are the names of the 33 senators who voted to end too "big to fail" -- and of the 61 who voted to preserve it, thus making future economic catastrophes more likely.*

*The 33 "Yes" votes to end "too big to fail"*

<i>Senator</i>	<i>Career \$ From Finance</i>	<i>Senator</i>	<i>Career \$ From Finance</i>
<i>Sen. Mark Begich [D-AK]</i>	<i>\$412,637</i>	<i>Sen. Carl Levin [D-MI]</i>	<i>\$2,260,576</i>
<i>Sen. Jeff Bingaman [D-NM]</i>	<i>\$1,059,499</i>	<i>Sen. Blanche Lincoln [D-AR]</i>	<i>\$2,447,809</i>
<i>Sen. Barbara Boxer [D-CA]</i>	<i>\$2,765,288</i>	<i>Sen. Jeff Merkley [D-OR]</i>	<i>\$721,157</i>
<i>Sen. Sherrod Brown [D-OH]</i>	<i>\$1,620,430</i>	<i>Sen. Barbara Mikulski [D-MD]</i>	<i>\$1,301,068</i>
<i>Sen. Roland Burris [D-IL]</i>	<i>\$4,900</i>	<i>Sen. Patty Murray [D-WA]</i>	<i>\$1,687,337</i>
<i>Sen. Maria Cantwell [D-WA]</i>	<i>\$1,878,690</i>	<i>Sen. Mark Pryor [D-AR]</i>	<i>\$1,345,008</i>
<i>Sen. Ben Cardin [D-MD]</i>	<i>\$2,756,636</i>	<i>Sen. Harry Reid [D-NV]</i>	<i>\$4,389,858</i>
<i>Sen. Bob Casey [D-PA]</i>	<i>\$1,355,841</i>	<i>Sen. Jay Rockefeller [D-WV]</i>	<i>\$2,213,734</i>
<i>Sen. Tom Coburn [R-OK]</i>	<i>\$1,078,264</i>	<i>Sen. Bernie Sanders [I, VT]</i>	<i>\$181,095</i>
<i>Sen. Byron Dorgan [D-ND]</i>	<i>\$1,455,834</i>	<i>Sen. Richard Shelby [R-AL]</i>	<i>\$5,371,330</i>
<i>Sen. Richard Durbin [D-IL]</i>	<i>\$3,055,424</i>	<i>Sen. Arlen Specter [D-PA]</i>	<i>\$6,406,258</i>
<i>Sen. John Ensign [R-NV]</i>	<i>\$2,589,370</i>	<i>Sen. Debbie Stabenow [D-MI]</i>	<i>\$1,899,835</i>
<i>Sen. Russell Feingold [D-WI]</i>	<i>\$990,917</i>	<i>Sen. Tom Udall [D-NM]</i>	<i>\$1,062,336</i>
<i>Sen. Al Franken [D-MN]</i>	<i>\$1,022,598</i>	<i>Sen. Jim Webb [D-VA]</i>	<i>\$563,161</i>
<i>Sen. Thomas Harkin [D-IA]</i>	<i>\$2,534,445</i>	<i>Sen. Sheldon Whitehouse [D-RI]</i>	<i>\$1,222,607</i>
<i>Sen. Ted Kaufman [D-DE]</i>	<i>\$0</i>	<i>Sen. Ron Wyden [D-OR]</i>	<i>\$2,658,024</i>
<i>Sen. Patrick Leahy [D-VT]</i>	<i>\$615,682</i>	<i>TOTAL</i>	<i>\$60,927,648</i>

*The 61 "No" votes to preserve "too big to fail"*

<i>Senator</i>	<i>Career \$ From Finance</i>	<i>Senator</i>	<i>Career \$ From Finance</i>
<i>Sen. Daniel Akaka [D-HI]</i>	<i>\$556,295</i>	<i>Sen. Mike Johanns [R-NE]</i>	<i>\$697,621</i>
<i>Sen. Lamar Alexander [R-TN]</i>	<i>\$4,940,775</i>	<i>Sen. Tim Johnson [D-SD]</i>	<i>\$3,143,865</i>
<i>Sen. John Barrasso [R-WY]</i>	<i>\$295,932</i>	<i>Sen. John Kerry [D-MA]</i>	<i>\$18,112,577</i>
<i>Sen. Max Baucus [D-MT]</i>	<i>\$4,790,487</i>	<i>Sen. Amy Klobuchar [D-MN]</i>	<i>\$734,117</i>
<i>Sen. Evan Bayh [D-IN]</i>	<i>\$4,393,347</i>	<i>Sen. Herbert Kohl [D-WI]</i>	<i>\$73,950</i>
<i>Sen. Michael Bennet [D-CO]</i>	<i>\$835,796</i>	<i>Sen. Jon Kyl [R-AZ]</i>	<i>\$3,741,994</i>
<i>Sen. Kit Bond [R-MO]</i>	<i>\$3,255,538</i>	<i>Sen. Mary Landrieu [D-LA]</i>	<i>\$2,500,584</i>
<i>Sen. Scott Brown [R-MA]</i>	<i>\$1,015,364</i>	<i>Sen. Frank Lautenberg [D-NJ]</i>	<i>\$3,478,817</i>

<i>Sen. Samuel Brownback [R-KS]</i>	\$1,336,269	<i>Sen. George LeMieux [R-FL]</i>	\$0
<i>Sen. Richard Burr [R-NC]</i>	\$2,988,952	<i>Sen. Joe Lieberman [I, CT]</i>	\$10,084,996
<i>Sen. Thomas Carper [D-DE]</i>	\$2,311,778	<i>Sen. John McCain [R-AZ]</i>	\$33,474,029
<i>Sen. Saxby Chambliss [R-GA]</i>	\$3,483,860	<i>Sen. Claire McCaskill [D-MO]</i>	\$863,393
<i>Sen. Thad Cochran [R-MS]</i>	\$662,234	<i>Sen. Mitch McConnell [R-KY]</i>	\$5,247,103
<i>Sen. Susan Collins [R-ME]</i>	\$2,273,113	<i>Sen. Robert Menéndez [D-NJ]</i>	\$4,151,772
<i>Sen. Kent Conrad [D-ND]</i>	\$2,507,437	<i>Sen. Lisa Murkowski [R-AK]</i>	\$875,690
<i>Sen. Bob Corker [R-TN]</i>	\$3,150,750	<i>Sen. Bill Nelson [D-FL]</i>	\$3,213,078
<i>Sen. John Cornyn [R-TX]</i>	\$4,597,492	<i>Sen. Ben Nelson [D-NE]</i>	\$2,844,056
<i>Sen. Michael Crapo [R-ID]</i>	\$1,779,063	<i>Sen. Jack Reed [D-RI]</i>	\$2,897,782
<i>Sen. Chris Dodd [D-CT]</i>	\$14,367,412	<i>Sen. James Risch [R-ID]</i>	\$228,711
<i>Sen. Michael Enzi [R-WY]</i>	\$1,087,043	<i>Sen. Pat Roberts [R-KS]</i>	\$1,647,286
<i>Sen. Dianne Feinstein [D-CA]</i>	\$3,657,556	<i>Sen. Charles Schumer [D-NY]</i>	\$15,918,336
<i>Sen. Kirsten Gillibrand [D-NY]</i>	\$2,334,456	<i>Sen. Jeff Sessions [R-AL]</i>	\$2,158,535
<i>Sen. Lindsey Graham [R-SC]</i>	\$1,951,429	<i>Sen. Jeanne Shaheen [D-NH]</i>	\$1,046,765
<i>Sen. Chuck Grassley [R-IA]</i>	\$2,605,399	<i>Sen. Olympia Snowe [R-ME]</i>	\$1,700,184
<i>Sen. Judd Gregg [R-NH]</i>	\$1,070,249	<i>Sen. Jon Tester [D-MT]</i>	\$603,993
<i>Sen. Kay Hagan [D-NC]</i>	\$585,694	<i>Sen. John Thune [R-SD]</i>	\$3,636,776
<i>Sen. Orrin Hatch [R-UT]</i>	\$2,481,543	<i>Sen. Mark Udall [D-CO]</i>	\$1,781,168
<i>Sen. Kay Hutchison [R-TX]</i>	\$4,694,038	<i>Sen. George Voinovich [R-OH]</i>	\$2,770,340
<i>Sen. James Inhofe [R-OK]</i>	\$1,477,202	<i>Sen. Mark Warner [D-VA]</i>	\$2,632,766
<i>Sen. Daniel Inouye [D-HI]</i>	\$1,453,487	<i>Sen. Roger Wicker [R-MS]</i>	\$1,263,098
<i>Sen. John Isakson [R-GA]</i>	\$3,849,408	<b>TOTAL</b>	<b>\$218,312,780</b>

*As one senator recently noted, "banks ... frankly own this place."*

*I don't know about you, but to me, this arrangement seems outrageous. It's not how free markets or democracies are supposed to work.*

### *The Coming 50% Meltdown*

*Think it can't happen? That's what investors thought in October 2007. Now Morningstar and Ibbotson confirm, "Stocks are more prone to these sorts of convulsions than you may realize."*

*Another day another dollar, Don L. Johnson*