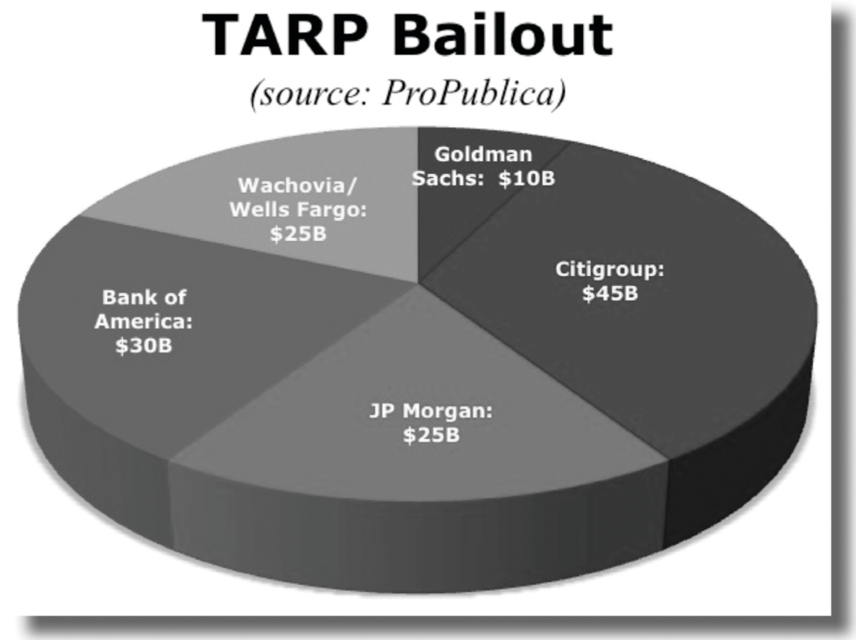
"Many former SEC employees leave the agency to join [lobbying] firms that represent clients in the securities industry. Several recent reports by the SEC Inspector General have raised troubling questions about whether the promise of future employment representing Wall Street causes some SEC officials to treat potential employers and their clients with a lighter touch."

Social Costs

Does anyone need to be reminded how the big banks broke the economy and then pocketed billions of tax dollars in bailouts? Have people already forgotten Henry Paulson (Treasury Secretary, 2006-2008; Goldman Sachs, 1974-2006) standing before Congress and demanding $700 billion in nearly oversight-free money to buy up the banks' "toxic assets"—which were, of course, bad mortgages packaged into securities that were suddenly worthless. The bailouts received bipartisan support, and Obama pressed for the passage of what eventually became TARP, proving the value of those bipartisan campaign donations.

Perhaps you are underwater on your mortgage because of the crash in home values after the popping of the housing bubble, which was created by the insatiable need for profits, for more mortgages to package into securities to sell on the market. Perhaps you're dealing with Bank of America or another one of the banks that are still unwilling to modify the majority of mortgages, continuing to foreclose on homes and throw families out.

Or perhaps you rent, but are unemployed. Perhaps you have a job but haven't seen a raise since the crash, or have been pressured to put in more hours. The core problem in the brick-and-mortar economy is a lack of demand, and that drop in demand is a result of the $14 trillion in household wealth lost in the crash that Wall Street's gamblers precipitated -- from stocks and bonds, real estate values and retirement accounts. The popping of the housing bubble alone and the corresponding drop in home values, according to Dean Baker, creates the loss of some $8 trillion in wealth, or $110,000 per homeowner.



Wachovia/Wells Fargo and JPMorgan got $25 billion each, while Bank of America got $30 billion. According to ProPublica's calculations, the big five have all paid back their TARP funds.

But TARP was only one way in which the federal government subsidized the big banks. The Federal Reserve also handed out trillions in unsupervised loans during the so-called crisis period.

Dean Baker noted in his book False Profits that the Fed loans were actually more significant than the bailouts. "The vote on the TARP was a way to get Congress's fingerprints on the policy of subsidizing the banks," he wrote, "just as the war authorization bill approved in October 2002 implicated Congress in President Bush's subsequent decision to wage war on Iraq under false pretenses."