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I am responding to a number of communications I received about the group that began as "Occupy Wall Street" and has spread to other cities as a protest movement against economic unfairness in America today. I am in general agreement with the objections they have to existing conditions. For some time, I have been a critic of public policies that have exacerbated inequality in our country, and I have argued strongly that we can reduce inequality – we cannot and should not try to eliminate it altogether – with no negative consequences for the economy. Some inequality is a necessary element of a market economy, but we have gone far beyond what is either economically or socially desirable in that regard. And I say economically because to the extent that we have seen a suppression of income for a large number of people, we have restricted consumption which hurts our economy. Thus, for example, I have favored increased taxation on high income people, for example in 1993 when I voted for the tax increases proposed by President Clinton. The relatively small amounts of increased taxation that people in the higher brackets pay had no negative effect whatsoever on the economy at that time, and in fact allowed us to begin to reduce our deficit without cutting back on things that promote the quality of life.

I am also in agreement with their criticism of many of the practices in the financial community that led to the crisis. I realize that many of them believe that very little has been done to correct these practices, and here I differ – the Financial Reform bill, which passed in 2010, contains a number of things which, if properly implemented, will both protect consumers and make the economy much safer. The Independent Consumer Bureau; the strict regulation of derivative trading; the ban on subprime mortgages of the abusive sort; the requirement that those who do make mortgage loans retain a percentage of those loans when they sell them, so that people are not in the position of making loans with no regard for whether or not they are paid back – these and other factors are in our legislation. The problem, of course, is that this law is only a little more than one year old, and it has not yet been fully implemented.

Part of the reason for this is that it takes time to come up with complex regulations. But another part is that what happened between the time the law was signed by the President in July 2010 and today is the Republican takeover of the House, and the increase in Republicans in the Senate. What is now happening is that the Republicans are actively opposing implementation of this, and while it is going ahead in many respects, it is being held back in others. For example, the Independent Consumer Bureau, on which I worked so hard with Elizabeth Warren, has many of the powers it needs, but until a director is confirmed by the Senate, it will not get its full strength and the Republicans are filibustering this. Similarly, the Republicans have cut the funds needed for the two agencies – the Securities Exchange Commission and the Commodities Futures Trading Commission – which will regulate the kind of abuses in the derivative market that were exemplified by A.I.G.

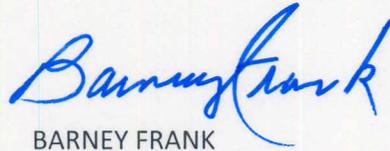
Republican opposition is also blocking our efforts to increase taxes on the wealthiest in this country in ways that, as I noted, will have no negative effect on the economy. Additionally, they are blocking efforts to reduce unemployment, most egregiously, in my view, by opposing efforts to increase funding for infrastructure and environmental projects, and by forcing further cuts in the funds available for state and local governments, leading to increased layoffs. In the employment area, we have in fact over the past year been gaining private sector jobs every month, although at too low a rate, and this has been exacerbated by the fact that in every one of those months, state and local employment has been reduced, cutting the overall number of jobs increased.

This leads me to the one major difference I have with the protestors – not on their goals, but on their strategy. Mobilizing people in the way that they have is a very important first step towards affecting public policy in a direction of more equity. But by itself it does not get us there. I have had this debate with others who have been pushing for social change – for example in the movement for gay, lesbian, bisexual and transgender rights. Demonstrations of the sort that the protestors are now conducting bring people together and create a potential for action. But the fact that large numbers of people gather in various places does not by itself affect the public policy process. What I would hope is that they would pick several points – increased fairness in taxation; the confirmation of a director of the Consumer Bureau; measures to allow state and local governments to hire more people and to allow us to go forward on infrastructure – and insist that Members of the House and Senate vote for them.

I understand that some of them believe that this is a sort of conventional political activity that has led us into the current morass. But the problem is that only some people have used these tools and they have disproportionately gained. The energy on behalf of change that the protestors represent is important, but I think it will dissipate with too little effect if those engaged in this do not take advantage of the rights of citizens to formulate some specific demands and let their elected officials know about them. Absent this kind of directed activity, I am afraid that very little will change.

There is one other point on which I differ with some of the protesters. I do not believe that civil disobedience is either appropriate or, perhaps more important, useful in this regard. One of the problems we face today is that state and local governments have been drained by a policy of too many wars, and not enough funding for essential government services. Forcing cities to pay large amounts of overtime for the police, or increased sanitation activities, or efforts to repair parks that suffered damage, seem to me a mistake. I believe it is possible for people to gather in large numbers to show their commitment without incurring these costs and in fact imposing them on local governments. Civil disobedience is a very important tool for people who are being denied their political rights. That is how it was used by Ghandi and by Martin Luther King – these were two examples of leaders who were acting on behalf of people who were not allowed to participate politically. But I believe in America using one's political rights in fact is much likelier to achieve results than simply demonstrating without this kind of follow-through. And in the case, for example, of Dr. King, he recognized this and once the people on whose behalf he was organizing got their political rights, he was instrumental in making sure that they used them.

So in summary, I am glad that a large number of people are joining the fight against economic unfairness – and I realize if I go over what I’ve said that I forgot to mention two very important specifics – ending the wars in Iraq and Afghanistan. These are enormous drains on the resources that we should have to be able to alleviate unfairness elsewhere. What I would hope is that the people who are organizing this and participating in it would take the next step and make this movement the politically potent one that can be so helpful in resolving these problems.

A handwritten signature in blue ink that reads "Barney Frank". The signature is fluid and cursive, with the first name "Barney" and the last name "Frank" clearly distinguishable.

BARNEY FRANK