

O P I N I O N



ILLUSTRATION BY KATHY DEGGENDORFER

Letters to the Editor...

The Nugget welcomes contributions from its readers, which must include the writer's name, address and phone number. Letters to the Editor is an open forum for the community and contains unsolicited opinions not necessarily shared by the Editor. The Nugget reserves the right to edit, omit, respond or ask for a response to letters submitted to the Editor. Letters should be no longer than 300 words. Unpublished items are not acknowledged or returned. The deadline for all letters is noon Monday.

To the Editor:
 Re: "Harney County Blues," *The Nugget*,
 January 13, pg. 22:
 Well said, Craig. You said it best with this
 line: "We can do a whole lot better."
 Keith West
 Texas

To the Editor:
 I was just writing Katy Yoder another note,
 thanking her for several thoughts that were
 gems for me in her latest column ("Living a
 new way — one day at a time," *The Nugget*,
 January 13, page 26).
 I am amazed at her courage to be open and

See **LETTERS** on page 21

Sisters Weather Forecast

Courtesy of the National Weather Service, Pendleton, Oregon

Wednesday	Thursday	Friday	Saturday	Sunday	Monday
Chance snow/rain 40/31	Chance rain 46/32	Rain 46/31	Chance rain/snow 39/24	Partly sunny 38/26	Chance rain 41/na

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Robert B. Reich

American Voices

If you haven't yet seen "The Big Short" I recommend you do so.

Not only is the movie an enjoyable (if that's the right word) way to understand how the big banks screwed millions of Americans out of their homes, savings and jobs, and then got bailed out by taxpayers, but it's also a lesson in why they're on the way to doing all this again — and how their political power continues to erode laws designed to prevent another crisis and to shield their executives from any accountability.

Most importantly, the movie shows why Bernie Sanders' plan to break up the biggest banks and reinstate the Glass-Steagall Act (separating investment from commercial banking) is necessary, and why Hillary Clinton's more modest plan is inadequate.

The movie gets the story essentially right: Traders on the Street pushed high-risk mortgage loans, bundled them together into investments that hid the risks, got the major credit-rating agencies to give the bundles Triple-A ratings, and then sold them to unwary investors. It was a fraudulent Ponzi scheme that had to end badly — and it did.

Yet since then, Wall Street and its hired guns (including most current Republican candidates for president) have tried to rewrite this history. They want us to believe the banks and investment houses were innocent victims of misguided government policies that gave mortgages to poor people who shouldn't have gotten them.

That's pure baloney. The boom in subprime mortgages was concentrated in the private market, not in government. Wall Street itself created the risky mortgage market. It sliced and diced junk mortgages into bundles that hid how bad they were. And it invented the derivatives and collateralized debt obligations that financed them.

The fact is, more than 84 percent of the subprime mortgages in 2006 were issued by private institutions, along with nearly 83 percent of the subprime loans that went to low- and moderate-income borrowers that year.

Why has Wall Street been

pushing its lie, blaming the government for what happened? And why has the Street (along with its right-wing apologists, and its outlets such as Rupert Murdoch's *Wall Street Journal*) so viciously attacked the movie "The Big Short"?

So we won't demand tougher laws to prevent another crisis followed by another "too big to fail" bailout.

Which brings us back to Bernie and Hillary. Hillary Clinton doesn't want to break up the big banks or resurrect the Glass-Steagall Act, as Bernie does.

Instead, she'd charge the big banks a bit more for carrying lots of debt and attempt to oversee them more carefully. She'd also give bank regulators more power to break up any particular bank that they consider too risky. And she wants more oversight of so-called "shadow banks" such as hedge funds and insurance companies such as the infamous AIG.

In a world where the giant Wall Street banks didn't have huge political power, these measures might be enough. But, if you hadn't noticed, Wall Street wields extraordinary power.

Most of Clinton's proposals could already have been put into effect by the Fed and the Securities and Exchange Commission, but they haven't been — presumably because of the Street's muscle.

The only way to contain the Street's excesses is by taking on its economic and political power directly — with reforms so big, bold and public that they can't be watered down. Starting with busting up the biggest banks, as Bernie Sanders proposes.

More than a century ago, Teddy Roosevelt broke up the Standard Oil Trust because it posed a danger to the U.S. economy. Today, Wall Street's biggest banks pose an even greater danger.

Unless they're broken up and Glass-Steagall resurrected, we face substantial risk of another near-meltdown — once again threatening the incomes, jobs, savings and homes of millions of Americans.

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