

Rivertowns Enterprise, July 23, 2010

Lowey, a 'friend of Wall Street,' helped dilute reform bill

To the Editor:

According to the June 29 issue of Politico, a leading Washington daily, our congresswoman, Nita Lowey, played a key "behind-the-scenes" role in watering down the current financial reform bill making its way through Congress. In particular, it was her decision, Politico reports, to sign on to a letter circulated among her colleagues opposing a section of the bill that would have required financial houses to spin off their ultra-risky derivatives swaps businesses, that helped that move gain "traction."

Under the resulting compromise, "banks will still be able to keep their businesses in derivatives tied to interest rate swaps, foreign exchange swaps, credit,

gold and silver, investment-grade credit default swaps and any transaction used to hedge risk," says Congressional Quarterly. Only those derivatives deemed "below-investment-grade" will have to be spun off. I'm looking forward to seeing how quickly that distinction gets dissolved by the creative geniuses downtown.

Lowey wasn't the only nominally liberal member of the New York congressional delegation to push for weakening the financial reform bill, but residents of the Rivertowns don't get to vote for (or against) those other friends of Wall Street. It is worth noting that the securities and investment industry is the top overall contributor to Rep. Lowey's 2010 re-election campaign, at \$109,000 so far,

and that over 20 years in Congress the number-one contributor to her campaign coffers has been employees and executives of none other than Goldman Sachs. Since her friends downtown helped blow up the economy, unemployment here in Westchester has almost doubled, from 3.8 percent to 6.6 percent. Think about that the next time Rep. Lowey sends you a taxpayer-funded newsletter touting how hard she is working for her constituents. Her "cash constituents," perhaps.

*Micah Sifry
Hastings*