

From: Suzanne Reading <streading@verizon.net>  
Sent: Thursday, May 19, 2011 12:09 PM  
To: !FHFA REG-COMMENTS  
Subject: Comments regarding RIN 2590-AA42

By “Wall Street” I mean every one who makes money by trading stocks, bundling “securities”, creating and selling derivatives, creating and selling collateralized debt obligations and whatever investment bankers do.

Hey guys and gals, please pay attention here! Part of your job is to take care that the U.S. economy “works”- that is, fairly and in good health.

But we have utterly lost sight as to what, exactly, an economy IS. An economy exists to produce, distribute and provide for the consumption of goods and services. In a democratic society, said economy also exists to provide the material preconditions for all citizens to participate in the collective conversation as equal citizens. That means, we need to produce enough food, clothing, shelter, and culture to reproduce democracy.

“Wall Street” has always tried to make a few people rich. It does so, not by producing any of the material for sustaining healthy life, but by essentially gambling. This is more pronounced with derivatives and collateralized debt obligations. None of this is good for American society.

Please pay attention, also, to the infusion of pension funds of millions of Americans who “bought into” the “democratization” of the stock market with 401-ks and other “retirement” “instruments.” Now, after infusing this fictitious wealth creator with billions of dollars from regular folk, instead of just putting the wealthy gamblers at risk, the market risks the livelihood of so many more folks of modest income who cannot afford to gamble.

You are responsible for balancing the initiative that makes a vibrant economy that sustains democracy with insuring a vibrant economy that sustains democracy. Fictitious money/wealth creation does neither of these and has threatened both the health of our economy (the part that really makes things that materially sustain individuals and families in a highly specialized division of labor) and our democracy.

The threat to the real economy should be obvious. Let me emphasize how irresponsible lack of muscular regulation also threatens democracy. Inequality of wealth may help to make more material goods, but vast inequalities of wealth produced by a system that fails to even make good material and cultural products makes some people more powerful than others. This threatens democracy itself.

We outlaw cocaine, heroine and murder. These things are unhealthy and compromise a citizen’s ability to responsibly practice democracy. Addiction and death distract us from paying attention to the public good. Please use your regulatory power to outlaw collateralized debt obligations, credit default swaps and “bundling” of anything else these “wealth creators” try that can not be directly consumed – that is, eaten.

Your job is first, foremost and always to provide for the conditions that make democracy possible and make democracy thrive. If you think your job is to help someone make money, you should resign your position. You do not understand why you have a political position in overseeing economic activity.

Now pay attention to the effects of your work on democracy, and get to work.

Sincerely,  
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