

The Brown-Frank Debate

This televised debate took place on Sept. 7, 2010 at the studio of New-TV in Newton, Mass. Subheads have been added.

Anthony Schinella: Welcome to the 4th Congressional District debate. I'm Tony Schinella, editor with Gatehouse Media New England, and blogger with Wicked Local Politics. Tonight we have the two candidates vying for the Democratic nomination for the 4th Congressional District, challenger Rachel Brown and incumbent Rep. Barney Frank.

The agreed-to format is as follows: Each candidate will have three minutes for an opening statement. I'll be asking questions of the candidates, allowing them two-minute responses, and one-minute rebuttals, if necessary. Towards the end of the debate, we'll have a quick lightning round, and at the end, each candidate will be allowed two minutes of a closing statement. A coin-toss earlier determined who would be the first speaker, and that is challenger Rachel Brown.

Brown: A Fight for Survival

Rachel Brown: Okay. So, we are in a fight right now for the survival of the nation, and people deserve to be told the truth, and they deserve to be given solutions. So now, we are in a dire crisis, where people are losing their homes, and their jobs, and meanwhile, we have been keeping a bailout policy of Wall Street.



Rachel Brown

This is what Barney Frank has proposed, endorsed, and pushed through, every step of the way, and this is contributing to the continual crisis.

The only way out right now, is the immediate implementation of a Glass-Steagall reform. We need the full restoration of Franklin Roosevelt's Glass-Steagall policy. This is actually the only way the Democrats will not get wiped out in November, is if they immediately act to restore this policy.

President Obama is not in reality; he's acting in a similar psychological manner to Emperor Nero, which ended in the collapse of Rome. Obama is fiddling while the United States burns. This guy has got to go! Every single day that Obama remains in office, we enter further into hyperinflation.

So, this is what we must do: Get Obama out, restore Glass-Steagall, build NAWAPA and infrastructure. We need the model of Franklin Roosevelt, investment into the physical economy, especially infrastructure, and especially the largest infrastructure project ever built, the North American Water and Power alliance.

This is what we can do to get out of this crisis.

Frank: Cut the Deficit

Schinella: Barney?

Barney Frank: Well, let me just, since it's a debate, express my disagreements. I do not think that President Obama thinks like Nero, or like Hitler, as Miss Brown has, in other contexts, portrayed him. And I do not think we're in a period of hyperinflation. In fact, the problem that all economists and business people and working people and others are concerned about now, is verging on deflation. And I think it's important for us to be doing stimulative things, which, if you're worried about hy-

perinflation, you don't do.

I am also not for colonizing Mars, as my primary opponent is. So I do want to address the differences.

But, more importantly, I want to address the major issue facing the country now, which is a recovery that's much too slow. President Obama inherited from George Bush a terrible economy, and for a while, some of the measures that we took together, were helping to bring about a recovery. But that slowed down early this year, partly, frankly, because of Republican obstruction on some important measures that would have helped, like unemployment compensation extension.

But we are in this dilemma. We need to do more to provide the kind of short-term job creation that Franklin Roosevelt did do, and that economists agree helps in this sort of a situation. But here's our dilemma: We do need to bring down the deficit. We have a long-term deficit situation which is not sustainable. It began with the decision in 2001 and 2002 to fight two wars with five tax cuts, which was a grave error. One of the wars, in Iraq in particular, was an error.



Rep. Barney Frank

But we now have a situation where we must curtail the deficit, and here's the dilemma: We need to do some things that are stimulative in the short term; we need to bring down the deficit. The answer is a substantial reduction in the extent to which America is subsidizing the rest of the world militarily, i.e., pulling troops back from Iraq, the non-combat troops. If they're not combat troops, they don't belong there.

We have been, for too many years, the protector of the rest of the world. Even our wealthy allies, in Japan and in Western Europe. The time has come for America to defend its national interest, to fight terrorism, but to no longer be the source of this enormous subsidy. If we were to do that, we would free up our ability to take some decisive action in the near term, to provide the kind of job stimulation we need, and over the longer term, be able to address America's own needs.

I do believe we have a responsibility to be part of the world. We don't have the responsibility to defend the whole world, when every other country, including the

wealthy ones, is in the position of pulling back on their military expenditures, because they count on us to go forward.

The Economic Crisis

Schinella: Thank you. In this first round of questions, I'm going to ask both of the candidates the same question, and allow them two minutes to respond. And we can allow rebuttals as well, if need be.

I'm going to start with Barney here, for the first question, since Rachel got the first intro. You were talking about the terrible economy. It's on the minds of everybody who is a voter these days. Unemployment is high and steady, and climbing in some cases. Benefits have reached the two-year mark for some folks, while others have fallen off the rolls completely.

Beyond what you just said in your opening statement, please name me three specific things you'll do in the next Congress, if re-elected, to try and turn things around.

Frank: Well, I don't want to go beyond, because a substantial reduction in the extent to which America subsidizes the rest of the world militarily, is something we have to do to free up these funds. Immediately. Not even waiting for the next Congress. When we get back, I hope a bill that I have been supporting, that the President asked for, to provide a \$30 billion loan fund to small banks, under conditions that they lend it to small communities, and to small businesses, would be very helpful.

I also think we should go beyond where we were with regard to the aid to state and local governments, to put police and fire and public works people on the street.

Next year, it is time for us, long overdue, for us to pass a major infrastructure piece. I have the cities of New Bedford and Fall River that need, and would benefit from, as would the whole state economy, commuter rail to the city of Boston. We have highway and transportation projects. You know, much of the rest of the state was starved for transportation during the Big Dig period, and there are highway projects, and other projects throughout, that we need to do.



A schematic of the North American Water and Power Alliance (NAWAPA). Brown: "We need the model of Franklin Roosevelt, investment into the physical economy, especially infrastructure, especially NAWAPA." Frank: "Bringing the ice water down from the mountains of Canada into the painted desert is a little bit unreal."

I would also like to speed up, for example, the cleanup of New Bedford Harbor.

There are many projects we can engage in, that would spend money very constructively, support jobs of a very important sort, and at the same time, make real quality of life improvements. And I know, as I said, in Fall River and in New Bedford and Taunton, and elsewhere in my district, I have some very real goals in that regard.

Schinella: Rachel, same question to you. Three things that you didn't say in your statement, you would like to use to turn the economy around, three proposals.

Brown: Sure. The immediate thing is Glass-Steagall. This is the only way to wipe out the \$1.4 quadrillion of derivatives that are there, in the international financial system. If we don't wipe these things out, there will be no funds for infrastructure, because this is weighing our system down.

So, that's number one: Glass-Steagall. Without that, there's no infrastructure.

Two, is then, this will allow us to build infrastructure. So, I'd say, number two, that is what we do. We have a massive investment, not \$50 billion, but trillions of dollars immediately, into infrastructure, particularly the NAWAPA program, as I mentioned, which is a water-moving program, which would move water from

the mountains of Alaska and Canada, through the western United States, greening the deserts, cooling the climate, allowing irrigation, allowing us to build new cities, and immediately employ 3 to 4 million people, with high-quality jobs. Not casino jobs.

So those are two things. Third, Civilian Conservation Corps. We need to train young people with skills, and skills that give them a sense that they can do something with their lives, and that there will be something they can do, that contributes to people after them.

Schinella: Very quickly.

Frank: Glass-Steagall had nothing to do with derivatives. Derivatives didn't exist at the time of Glass-Steagall, and if you just restored Glass-Steagall, derivatives would be untouched. AIG, which was the major perpetrator of irresponsible derivatives, would not have been stopped by Glass-Steagall, because they weren't a bank. In fact, the bill that I am very proud to have worked on, that became law, is the first serious restriction on derivatives, and as a result of the legislation that went through the committee that I chaired, that was signed into law, Warren Buffett just announced that he's getting out of the derivatives business, because the kind of speculative profits aren't available. So this notion that Glass-Steagall would stop the derivatives business could not be more wrong. It had nothing to do with that. If you separate out banking and other forms of financial activity, the derivative business would go forward, and the bill that I signed into law, as I said, was a very substantial curtailment of derivative irresponsibility, irrelevant to Glass-Steagall, although we did embody some other pieces of Glass-Steagall.

Schinella: I'm allowing you 15 seconds, just to respond real quick. We'll get to banking a little bit later on in the debate.

Brown: Sure. The point with the Glass-Steagall separation is that the FDIC would no longer insure the investment banks, only the commercial banks, so it wouldn't have to insure derivatives.



Library of Congress

The Douglas Dam in Tennessee under construction in June 1942, part of FDR's Tennessee Valley Authority project. Frank considers NAWAPA, the modern-day equivalent, "just total fantasy."

Bringing Back Industry

Schinella: I want to stay on the economics for just a second, in keeping with that theme. Many people now are blaming globalization as a major component of this difficult economy. In fact, the 4th District used to be full of former factories, that were humming, not even 20 years ago—30 years ago, before. What, if anything, can you do, Rachel, in the next session, if you're elected, to equalize the trade imbalance, but also increase domestic manufacturing, and jobs, here in the 4th District?

Brown: Yeah. Again, in the model of Franklin Roosevelt, I mean, this is really the approach, this is what we can do. In the first several months of Roosevelt's Administration, he created millions of jobs, and we can do the same type of thing with NAWAPA, but also with auxiliary infrastructure projects, which would require people from all over the country, to help build it, but also would involve a massive mobilization of materials, and related production, to build the infrastructure. So we could bring back industry in Fall River and New Bedford in this way.

Frank: No, I don't think we're going to bring back industry in Fall River by going to Canada, and bringing water from the mountains of Canada to the deserts. I

would rather say the NAWAPA scheme is just total fantasy. So that's a very grave error.

What we can do: I have been an opponent of the trade pacts that have been signed. Trade has a very real role, and there are many industries in Massachusetts which do well. Medical instruments, for example, an area where we do some exporting. But we signed trade agreements that allowed our trading partners to ignore decent working conditions, to ignore the environment. If I can produce without worrying about my environmental damage that I inflict, or about the extent to which I employ child labor, then I have a competitive advantage. So, I am for trade, but I am for imposing on our trading partners, standards, so they have to live up environmentally, and in labor payments, and other conditions, to where we are.

As to manufacturing, we do have a plan to try and increase manufacturing. Part of it is to get loans to the small manufacturers. That's the \$30 billion program I mentioned, and I've made a point of being with many of the smaller manufacturers that are still in my district, and working with them.

As well as the larger manufacturers, like Lockheed and General Dynamics, in the district I represent. Dupuy, which does hips and knees. And part of what you do is to go with them, listen to what their problems are, and try and work with them. But as far as trade is concerned, we have to insist that our trading partners follow these basic rules of fairness, and not accept anything else.

The Iraq War

Schinella: Barney, to you. I'm going to shift gears a little bit, and talk about Iraq. The President announced the supposed end of major troop operations, and yet today, two soldiers were killed, and nine were wounded in action in Iraq. What, if anything, can be done at this point to ensure stability in the region? Are you worried about potential threats with Iran? And/or the cost of this, what's seeming to be an unending war on terror?

Frank: In two minutes. One, I am a leader in the imposition of tough sanctions on Iran, and I've worked with the American government, I've worked with people in the Israeli government, and elsewhere, and I'm very proud that the President signed a tough bill. And for the first time, we're reading that the sanctions are starting to have an impact. The Israeli government, which follows this, obviously, very closely, and whose

advice I take on this very often, they're encouraged by this.

As to Iraq, the time has come to take these 50,000 troops home. The President said, they're non-combat troops. Well, if they're not combat troops, bring them home. We have wonderful young Americans who were trained to do combat. They're not trained to be election monitors, in a country that can't get its act together. And the problem is, as you really indicated in your question, the other side doesn't know they're non-combat. Just because we say people are non-combat, doesn't mean they're going to be shot at [sic]. And we've exposed people to danger for no good reason.

I do worry about instability, and I voted against the war in Iraq, and I believe that the war in Iraq was one of the great causes of increased instability. Every anti-Israel and every anti-American entity in the Middle East—Hezbollah, Hamas, Iran—were strengthened by our intervention, because of its unpopularity and futility.

To the extent that there was a problem in Iraq, with [Saddam] Hussein—I wish he hadn't been there—I would not have intervened to overthrow him, any more than I would intervene to overthrow with arms, Mugabe, or a number of other terrible dictators. But now, that argument isn't even there any more. Karl Rove, Bush's chief staff guy, has admitted that they wouldn't have gone into Iraq if they knew there were no weapons of mass destruction. Why they didn't know, I don't know. But the time has come for us to keep up the sanctions and toughness on Iran, to withdraw the troops from Iraq, and I support what the President and Benjamin Netanyahu and other leaders of the Arab world are doing to try to bring a genuine two-state solution, with full respect for Israel's right to exist, in the Middle East.

Schinella: Rachel, same question.

Brown: Yeah. The issue with Iraq is that, this is a similar policy to Vietnam, of dragging the United States into a long war, which forces us to destroy ourselves. So, no, there is no reason to be there. The problem is the British Empire, which got us into this war, and which has long controlled the region, since the Sykes-Picot treaty, in the early 1900s.

So, the second issue that's serious with Afghanistan, is the drug issue, where the opium trade has increased 500% since, especially, British occupation, but also U.S. occupation, in the Helmand province. And this drug production has been allowed to continue under the

Administration of Obama, and the British. This is actually what's fuelling the terrorism. So, if the United States wants to stop terrorism, they should stop the drug trade there, and stop letting the British Empire get us into wars.

What if the GOP Gets a Majority?

Schinella: Well, both of you are Democrats, and of course, the only poll that matters is the one that happens on Election Day. Most of the data nationally shows that the Democrats are probably going to lose the House of Representatives, and maybe even the Senate.

Rachel, to you first: How will you ensure that you will represent the best interests of the 4th District, if the Congress is once again dominated by Republican control?

Brown: Well, one thing that's interesting, is that you have found bipartisan support for Glass-Steagall. The Glass-Steagall amendment [to the Dodd financial reform bill], which Barney Frank shut down, under his leadership, was a bipartisan amendment, from McCain and Cantwell. So, we've found support from a majority of the population, people from both sides of the aisle, for this policy. This is something immediately that I would put through. This needs to be done now.

Frank: Well, first, let me correct this. I did not shut down Senators John McCain and Maria Cantwell for anything. They were in the House, I am in the Senate [sic], so I didn't shut down anything the Senators tried to do.

Schinella: You mean the other way around—you're in the House.

Frank: I'm in the House and they're in the Senate, so I did not shut them down in any case. And I would repeat again on the derivatives thing: Glass-Steagall had nothing to do to prevent the kind of derivative manipulation that AIG engaged. We did, in our House bill, have a very tough anti-derivative legislation. So, I think that one is fairly clear.

As for what I would do, I don't expect us to lose the House and the Senate, but I did operate for 12 years as a minority member. Now, you're frustrated. I will mention, for instance, I've had people say to me, well, you're responsible, because Fannie Mae and Freddie Mac weren't stopped. I was in the minority when Fannie Mae and Freddie Mac were causing the most problems.

In 2007, which is the first year I came into the ma-

jority, we did pass legislation that George Bush asked for, that was signed by him, that stopped the Fannie and Freddie problem. So, I do understand, yes, I wasn't able to do as much about Fannie and Freddie as a minority, as I was in the majority.

On the other hand, I'm working now, for instance, with Ron Paul from Texas, a Republican, to try to reduce military spending. I work with Senator [Scott] Brown. Congressman [James] McGovern and I have an amendment to stop the LNG plant in Fall River from going through. Scott Brown is a supporter of that. If the Republicans happen to be in greater power, we work with Senator Brown.

There's an issue right now going on involving our ability to protect Buzzard's Bay from oil spills, in which a couple of right-wing Republican Senators are trying to stop it. We're working with Senator Brown to try to protect it.

Schinella: Would you like a rebuttal very quickly?

Brown: Yes, please. It was during the reconciliation that the amendment was not allowed to the floor, or to be in the final version of the bill, so this was in your control.

Frank: First of all, there was no reconciliation on this. They did it in House-Senate conference, but because the bill hadn't been adopted in the Senate, it wasn't eligible to be put in the House-Senate conference. I had absolutely nothing to do with the McCain-Cantwell amendment. Under the rules, the House passes a bill, the Senate passes a bill, and then there's a conference that reconciles the two, to use your word. But the bill was not, the amendment wasn't adopted in the Senate, so it wasn't before us in the Conference Committee, so I had nothing to do with it.

Schinella: Very quickly.

Brown: You also didn't allow [Sen.] Blanche Lincoln's anti-derivative amendment...

Frank: Well, that's just simply wrong. Blanche Lincoln voted for the bill. I will show you a picture of Blanche and I hugging. We, in fact, took most of her amendment, and Glass-Steagall, you should understand, would not have affected that, and we went beyond Blanche Lincoln's amendment in restricting derivatives.

As I said, Warren Buffett decided to get out of the

derivative business. We had the Republican Party offer its final motion and try to kill the bill, because we were being too tough on derivatives. We were very, very strict about that. We have required all derivatives to be reported. We have required derivatives to be traded on exchanges. The derivatives irresponsibility, which happened under AIG, we have made specifically illegal.

And Glass-Steagall—again, you have to understand this—the AIG was not a bank. AIG was using derivatives without any FDIC insurance, so your Glass-Steagall argument is irrelevant to almost all of the major problems that were caused by derivatives. The bill that I sponsored, as Warren Buffett kind of ruefully admitted by getting out of the business, cured that.

Fight Over Glass-Steagall

Schinella: I was going to ask about Glass-Steagall a little bit later in the debate, but since both of you have brought it up, let's just air it out, and get it cleared up. Barney, how come both Democrats and Republicans voted to repeal Glass-Steagall in the first place? Because that was done under Clinton's Administration. I don't know your voting record on that, but I know a lot of your colleagues voted to repeal, and it did have a factor in the collapse.

Frank: A small one. I voted against it, the repeal. There were some elements of the bill that went through that I liked, but I voted against the repeal of Glass-Steagall, because I thought it did away with one set of regulations, and I can see that, but it didn't put new ones in its place. Glass-Steagall was passed 70 some-odd years ago. It had nothing to do with derivatives. It had nothing to do with predatory lending. It had nothing to do with credit card abuses. Simply passing Glass-Steagall was a very inadequate way to deal with the problems that have grown up since then. So, I voted against repealing it in 1999.

But what we did in the bill, was to go far beyond Glass-Steagall. Paul Volcker, a very distinguished regulator, said, I want banks not to be able to do anything with their own money except make loans. That goes beyond derivatives. We stopped them from doing all kinds of things, and Paul Volcker was very happy with the bill. Blanche Lincoln was very happy with the bill.



Frank speaking to Congress in 1999 on the repeal of Glass-Steagall: "We want capital to be able to move freely. We gave the financial institutions everything they've asked for."

In fact, Senator Lincoln thinks we were too tough on derivatives.

So, the answer was, Glass-Steagall, which I voted against repealing, not because I thought it was a good bill as it stood 60 or 70 years later, but because I thought it had to be replaced by other regulation. In the bill that just passed, we replaced Glass-Steagall with a set of regulations that are much tougher than Glass-Steagall alone would have been.

On credit card abuses, Glass-Steagall didn't touch that. On predatory lending, on derivatives, now, none of those were affected by Glass-Steagall. All three of those are strongly restricted by the legislation we passed.

Schinella: Rachel, you've made this a plank of your campaign. It's one of the key points, including banking issues, that you've raised during the campaign. As I said to Barney, both Democrats and Republicans repealed that law together. How, if you were elected, would you actually get it reinstated? And would you add it to the current financial reform bill that passed?

Brown: Either way. You could do it as a standalone. That would probably work best, because it needs to go through immediately.

On Glass-Steagall and what it represents, this did represent, under Franklin Roosevelt, a complete separation of people's savings from speculation, so that is how this would have avoided the crisis. And it was not only the takedown of Glass-Steagall; that was the last step of the process. But it began in 1971, with Nixon removing us from a fixed-exchange-rate system. You

had the 1982 Garn-St Germain act. You had a series of deregulation policies, especially under Alan Greenspan, which you [Frank] also supported.

But in 1999, you said that “we gave the financial institutions everything they asked for,” and you supported the repeal of Glass-Steagall.

Frank: That’s simply a lie. I’m sorry, let’s all be civil, but let’s do it within a framework of truth. I voted against the repeal of Glass-Steagall.

Brown: Have you seen the video on my website?

Frank: Please, let’s not get into interrupting, Rachel. That’s no good.

Brown: I’m sorry.

Frank: I voted against the repeal, because it didn’t have the appropriate regulations. As to Alan Greenspan’s deregulation, no, I was a great critic of Alan Greenspan’s deregulation. In 2003 and 2004, we were very angry because they wouldn’t restrict predatory lending, which the Democrats tried to do. Look, the other problem here was, the Republicans controlled the Congress until 2006, when many of these problems began. They controlled the Congress when Glass-Steagall was repealed. I didn’t become chairman until 2007.

In the first year I was chairman, we passed a bill in the House to knock out predatory lending, to restrict Fannie Mae and Freddie Mac, and ultimately to put them into conservatorship. To begin to regulate credit cards. To regulate executive compensation. No, I was an opponent of that, but in the minority—you asked a fair question, Tony—you don’t have the same kind of authority. You can protect your district, but you can’t make broader public policy. That’s a distinction I should have made. And all those issues, if people look at what happened once we became the majority in 2007, we took decisive action on all of them.

Obama’s Mustache

Schinella: We’re going to shift gears right now, and I will be asking each candidate a specific question, and then the opposing candidate will be getting a one-minute rebuttal.

Rachel, you made national headlines recently when you appeared at a health-care town hall meeting with Representative Frank. At that meeting, and at subse-



Brown made national headlines when she first confronted Frank at this town meeting in Dartmouth, Mass., Aug. 21, 2009.

quent events, including outside of this forum, you and some of your supporters have carried signs with President Obama with a Hitler mustache. In all honesty, how can any voter take seriously a political candidate who compares the President, no matter what you feel about him, to someone who exterminated millions of people?

Brown: Yeah. Because we need to take a moral stance right now, that we will allow not one single life to be lost to save money. And that is what is in President Obama’s health-care bill, which he cited as necessary to save our economy, and it has done nothing to save the economy, but that the primary aspect of this health-care reform was the Independent Payment Advisory Board, which takes power out of the hands of Congress to provide Medicare and Medicaid services to people. And the idea was to set up a board that would have a cost-efficiency policy.

So, for example, the Avastin drug, that could be used for breast cancer, has been ruled that it will not be used for breast cancer, because it’s not worth the money. The \$8,000 that it costs per month, they say is not worth it, to keep that woman’s life alive.

This was the policy in the hospitals in 1939. Hitler wrote a decree that said there were certain lives which are unworthy of life. These were people who were elderly, unable to work; and they had a policy in the hospitals where they said, we don’t want to spend the money to keep these people alive; they’re not worth it.

Frank: Well, you left a category of people not worthy—Jews, and Jewish-Americans, myself in-

cluded, are particularly sensitive to this casual Hitler-type association. It's really important that the world understand that the Holocaust was, we hope, a uniquely terrible situation. And you can agree or disagree with the policy, but, as I said before, it's a great tribute to free speech and the strength of it, that people are free, as they should be, to compare Obama to Hitler, because they disagree with an aspect of his plan.

Miss Brown also greatly dis—does not describe the plan well. Maybe she's going back to this whole death panel idea. There were no death panels in that bill. That's been refuted. We did have death panels in legislation that was passed by this Congress: It was in the Financial Services bill, where we have death panels for financial institutions that get in debt, and they will be put to death, and there will be no more bailouts. That's very explicit in the law.

But this notion that you can compare President Obama to Hitler. Look, I was at Bristol Community college in Fall River, and people said to me—they were very upset because Miss Brown, maybe she herself, and her followers were there, with pictures of the President depicted as Hitler—very disturbing to children in elementary school there.

So, people have a right to do what they want, but I wish they would be more sensitive to other people's feelings.

And finally, let me say this. Medicare has been supported by this bill, and there's been no diminution of Medicare under this health bill.

Schinella: I'll allow you a 30-second rebuttal, if you like.

Brown: Sure, what Leo Alexander said, presiding at the Nuremberg Tribunals, was that the slippery slope to the death camps began with this policy in the hospitals. And this cannot be allowed to go on for one single life. If one single life is lost because of this policy, that is a step into moral hell for this country, and we cannot accept it.

Frank's Financial Donors

Schinella: Barney, question to you. During the last 21 years, according to Open Secrets.org, you've accepted nearly \$1.3 million in campaign contributions from individuals who worked in, or PACs that represented, the banking and financial industry sector. With all this money coming from banking interests, how can anyone trust you to fix the banking problems, and/or

represent the interests of ordinary people who have problems with the financial and banking sector?

Frank: By looking at the results. The committee I chair—and when I was in the minority, I wasn't able to do much; when I became chairman, we passed a bill, for example, to regulate credit card abuses. And Elizabeth Warren, from Harvard Law School, came up with the idea, with others, of an independent consumer financial protection bureau, to oversee what banks do with regard to credit cards, and overdrafts, and other activities. There was no public policy in years that the banks hated more. It's now law because of my work. So, I would say to people, show me an area where I held back. The financial reform bill that passed, frankly, is so tough, according to some of the bankers, that the *New York Times* recently had a story about how Wall Street, which had been giving money to the Democrats, is now turning to the Republicans.

Warren Buffett is getting out of the derivatives business because of what we did. As I said, we have the Consumer Protection Agency. Predatory lending, we have outlawed. There used to be a deal whereby mortgage brokers could get more money from the lender, if they steered you into a higher loan—it was called the yield-spread premium. The bill I passed outlawed it. So the fact is, we have had the toughest, most comprehensive financial reform in years.

We had the best package of consumer affairs. It used to be that if you invested, and you had a dispute with the firm you were investing with, you had to go to arbitration, and you didn't have a right to sue. We cancelled that. We give people the right to threaten to sue, if they think that would make them better. Every consumer group in America, AARP, the Consumer Federation, the AFL-CIO, has saluted this bill as the best package of consumer protections ever—over the objections of the banks!

So, yeah, people give you money from all sides. I take money from low-income housing developers. I take money from the AFL-CIO. I take money from gay rights groups. And then you go ahead... and I wish we didn't have that. I wish the Supreme Court hadn't opened the floodgates for money. As long as they do, I'll have to defend myself, but I defy anyone to show any public policy where that had an influence.

Schinella: Rachel, rebuttal?

Brown: Sure. You just have to look at the reality. We've lost millions of jobs, 7 million homes—this is



At this meeting in New Bedford, Mass., in 2009, workers at the Eagle Industries plant sought to prevent their factory from being closed and relocated to Puerto Rico. Brown: "You just have to look at the reality. We've lost millions of jobs, 7 million homes—this is the reality."

the reality. People can't afford to survive right now. I meet plenty of them every single day on the street. And so this is the reality. They don't see a recovery. They don't see the recovery that Obama or Barney are talking about. So, I think you just have to ask the person on the street if there's a recovery.

Frank: Let me just say, that her rebuttal, of course, had nothing to do with the question. I haven't said that the recovery was great; I said it's been much too slow. As to people losing their homes, yeah, during the period the Republicans controlled, we tried to outlaw predatory lending and weren't able to. Beginning in 2007, we took some action, and the kind of loans that got people in trouble are now illegal, once we came into the majority. Over the objection of the financial institutions, some of whom gave me contributions.

Health-Insurance Coverage

Schinella: You're watching the 4th Congressional district debate between Democrats—U.S. Representative Barney Frank, and challenger Rachel Brown. We're at the halfway mark right now. You are watching New-TV, and I'm Tony Schinella, the moderator of this debate, Gatehouse newspaper editor, as well as a blogger at Wicked Local Politics.

I want to talk about health care for a second, but before I do, very quickly, between the two of you, a

quick question for both of you. When was the last time either of you had to buy private insurance, not through an employer, if at all?

Frank: Well, I buy automobile insurance all the time.

Schinella: I'm sorry, health insurance.

Frank: Well, I'm on Medicare, and I secondly am a Federal employee, and I purchase the Federal Employee health plan like any other of the millions of Federal employees.

Schinella: So, when was the last time you had to buy private insurance, if at all?

Frank: I had always gotten employer-paid insurance.

Schinella: Rachel?

Brown: You said, not through an employer?

Schinella: Not through an employer.

Brown: I have health care through an

employer.

Schinella: Have you always had health care through an employer?

Brown: No, until recently, I didn't have health care.

Schinella: Barney, let me say, the health-care bill that passed both Houses of Congress, approved by the President, has a provision that requires every individual in the country to purchase some sort of health plan from a corporation. This seems to many to be like a forced subsidy, nominally for insurance, but for corporate welfare, paid for by Americans who, in some cases, can't afford private insurance, whether they have tax credits or subsidies. Is this actually the ideal system that we should be having, the one that you approved?

Frank: No. My ideal system is a single-payer system, like Medicare, which I am on, and very happily. Secondly, I would say this: When the Federal government did that, it was copying Massachusetts. The requirement that individuals have to buy insurance, was a product of the Massachusetts legislature and Gov. Mitt Romney, although he has apparently a form of untreated amnesia, in which he's forgotten that he's the one who signed that bill. And maybe his health insurance would help him deal with it.

I was not for the individual mandate, as my first



LPAC

Rachel Brown campaigns at a nursing home in the 4th District. Brown: "We need to take a moral stance right now, that we will allow not one single life to be lost to save money." Frank: "There were no death panels in that [health-care] bill."

choice. My preference was for the single payer. I would say this: Along with this bill, we do have an increased regulation of the health insurance companies, and I give Governor Patrick credit. He just stepped in and forced some of the health insurance private companies to moderate their increases. So I agree: A mandate without some kind of regulation of the private health insurance companies, would be very problematic. I do think that we should have gone even further, but we did begin in that bill to give some regulatory power, and Governor Patrick has shown what a good, conscientious governor can do, when he's trying to protect his people, because he did force a reduction in the increases in health care.

But again, my preference would have been for the single-payer system, like Medicare, which I believe works very well.

Schinella: Now, Rachel, you opposed the plan for the reasons you said earlier. What would you support at the Federal level, to assist people who can't afford to buy private health-care insurance, in the marketplace, in order to ensure that they are covered in some way, shape or form?

Brown: Right. I also support the single-payer system, joined, especially, with the Hill-Burton standard of health care, which we had in place until the HMO policy began in 1971. This mandated a certain number of hospital beds, nurses, per capita, per thousand people—it was 4.5 beds required. We need to

return to that type of health-care priority, of availability of care, joined with a single-payer system. We need better health-care infrastructure, which also could be part of an infrastructure-building program that we put in place right now to create jobs.

The Housing Bubble

Schinella: Barney, I'm going to switch gears, talk about Fannie Mae and Freddie Mac. Ironically, today is the second anniversary of the government takeover of the financial institutions. Over the years, conservatives have said that you were a defender of both of the programs, and even protected them from oversight, and yet just a few weeks ago, Larry Kudlow of CNBC reported that you would like both of the programs to

be abolished next year. This seems to an ordinary reader, that there are multiple positions you've had on these institutions over the years. Wouldn't it have been smarter to have come to realization that they needed to be abolished before the collapse, instead of now?

Frank: Yes, that's what I did in 2004. In 2003, I made comments favorable to Fannie Mae and Freddie Mac, but to my conservative friends, I do have to point out what they like to forget: From 1995 to 2006, I was in the minority. Tom DeLay was running the House of Representatives, and I was not a close advisor to Tom DeLay. If I were, I would have told him not to go on the dance show.

I was not responsible for that. I supported the Republican chairman of the committee in 2005 when he tried to regulate Fannie Mae and Freddie Mac—the Republicans got into an argument over it. The Republican chairman, Mike Oxley, said that he got the one-finger salute from George Bush. I was in the minority. In 2007, when I became the chairman of the committee, I worked with Bush's Secretary of the Treasury, Hank Paulson, to pass precisely the legislation that gave him the power to take it over. And if we had been in the majority, I think we would have done it before.

Secondly, I'm very proud that I was one of the leading critics of the policy which subsidized, in effect, home ownership for people who couldn't really afford it. There's a man named Larry Lindsay, who was a high-ranking economic official in both the Bush and Reagan

2010

Paulson, Frank near deal; Senate obstacles remain

By DAVID ROGERS & MARTIN KADY II & PATRICK O'CONNOR | 9/22/08 8:42 PM EDT



The Bush administration Congress over the Tre \$700 billion rescue plan Monday, but Republicans are poised to demand spending for domestic

House Financial Services Committee Chairman Barney Frank said Treasury oversight and pledged mortgage market to his foreclosure. Faced with

Press coverage in 2008 of then-Treasury Secretary Henry Paulson (left) and Rep. Frank working out the deal that bailed out the banks.

administrations, and he said I was one of the few politicians who said this notion that home ownership is for everybody is a mistake. Beginning in 2003 and 2004, several Democrats tried to outlaw the predatory loans, which is how Fannie and Freddie got into trouble. We weren't able to do that until 2007.

So that's a right-wing reading of history, which ignores the fact that they were in control. And they say, I stopped them? I wish I could have stopped them from the Iraq War. I wish I could have stopped them from raising the deficit by cutting taxes on the wealthiest 1% in the country. I wish I could have stopped a number of other things they did. I tried to stop the Patriot Act.

So, I was in no power, position to stop it until 2007. And when I came to power in 2007, the first thing that my committee did in a major way, was to pass the bill that the Bush Administration had asked for, to restrain Fannie Mae and Freddie Mac, and it was under the authority that was given by the committee that I chaired, on the bill that passed in 2008, under which Secretary Paulson took it over. And I would urge people to read Hank Paulson's book, where he gives me the credit for that.

Schinella: Before I go to Rachel, I did say that they were conservative criticisms, in the question. Just so we're clear.

Frank: But let me just amend it a little bit—they're conservative hypocrisies, because they're trying to blame me for their failure to act, for the years they were in Congress.

Schinella: Rachel, you can... rebuttal. On Fannie Mae and Freddie Mac.

Brown: Sure. The creation of the housing bubble was the last way to rob the income stream of the population, to fund speculation. Now, as a result of shutting down our production throughout the 1970s and '80s, it was needed for a new part of the income stream to fulfill the speculative bubble that began in 1987 with the stock crash. So, the housing bubble, and therefore, all the various types of mortgages were used to get more money to keep the bubble going.

The Space Program

Schinella: Rachel, your website promotes the need for colonization, a manned mission to Mars, and colonization, with the production of rockets that will fly to Mars in 3 to 7 days, something that—and I'm not a physics student, so I don't know—but something that appears to be physically impossible. However, can you tell us tonight exactly how these rockets will be built, and how you as a Member of Congress, with so many other Members, can accomplish this, and get this done?

Brown: Sure. Well, the point of having a fusion rocket—we have nuclear rockets, which were developed in the 1970s, and funding was cut at that time, or who knows how far we could have been by now, with a fusion rocket. But, the point of having a fusion rocket is that you need constant acceleration to create artificial gravity. With a chemical-fueled rocket, you can only get to Mars within several months, so, by the time you get there, your astronauts and their bones will be like jelly. So, you need to create artificial gravity. You can do it with a nuclear fusion rocket, which will create that. And the point is, for example, what Kennedy said in the 1960s: We're going to do it, not because it's easy, but because it is hard. And that's the type of optimistic spirit that we need to have. We can solve problems if we have the mission to do so.

Schinella: I want to ask you to respond to that, Barney. And you've been critical. But I want to ask you, in your rebuttal, a different way. What about this idea,



NASA

President John Kennedy (right) at Cape Canaveral, with space scientist Werner von Braun (center) and NASA Deputy Administrator Robert Seamans. Brown: We'll explore space, as Kennedy said, "not because it's easy, but because it is hard." Frank called the idea "wacky."

and what about, should NASA be given more money, to try and plan for something like this? For any of the things that . . . exploration of planets, inside and outside of the Solar System, a Moon base, or any of those things? Should we be thinking about any of those things?

Frank: I believe we should be very strongly supporting scientific experimentation, and exploration. And the scientists I talk to agree that you get the best bang for the buck when you do this with instruments. I think the notion of getting to Mars in 3 to 7 days, is, frankly, and I want to be retrained, wacky. One, it is not possible. Two, it is not desirable, because you cannot talk seriously about increasing spending on our infrastructure here, on trying to improve medical care for people, on doing the things that promote jobs for people—you're not going to create any jobs for Americans on Mars. And what you are going to do, is spend hundreds of billions of dollars.

And by the way, I'm not simply talking about this particular proposal. Like bringing the ice water down from the mountains of Canada into the painted desert is a little bit unreal. But I differ with President Obama and Bush in their decision to send a human being to Mars for however long. That would be a nice thing to do, but how can you talk seriously about our deficit? How can you tell us we don't have enough money to put cops and teachers on the streets? We don't have money to stimu-

late the kind of manufacturing we want. And spend a half-trillion dollars to go to Mars?

Anti-Incumbency Fever

Schinella: Switching gears a little bit. Barney: You have a primary opponent for the first time in who knows how long. You have two Republicans, one who seems to be relatively decently financed, and one you've faced before. Anti-incumbency fever has struck all over the country, in different parts of this state. Have you been Representative for too long?

Frank: No, if I thought I would, I would have left. I think that, in fact, there is a certain advantage to having been there. For example, because I'm a chairman, my chairmanship has allowed me to do things like put an end to derivatives, and put an end to derivatives speculation, and predatory lending, and to protect credit cards. It's also given me increased ability to help my district. My colleague Jim McGovern and I—he's also been there, not as long as I, since

1996—recently announced that we had successfully gotten an amendment through to kill an LNG plant that's entirely inappropriate, and was causing serious economic trouble for Fall River by tying up an important piece of property there.

I've done a great deal with my chairmanship, frankly, to try and help these institutions, on our economic front. We have some very responsible financial institutions in Massachusetts—Fidelity, State Street Bank, others, that were not part of the speculation. They weren't AIG, and they weren't doing these kinds of far-out things. What I did—and I was very glad to have Scott Brown's support in this, and we worked together—was to say, we're going to prevent excessive speculation. We're going to prevent abuse of financial razzle-dazzle, but we don't want to interfere with the legitimate business methods of people like Fidelity, who are an important source for people for investing their funds, or State Street, which is a major custodial factor, and supplies jobs. So, I was able to get a good bill through, with the help of others, that respected legitimately the interests of people in Massachusetts.

Similarly, with regard to health care: Medical instruments are very important, they're very important to Massachusetts—with Quovidian, and Dupuy, and a number of others—and I worked very hard with Massachusetts colleagues to prevent them from being

unduly interfered with. And again, this notion that you should just come in and do it right away, I think that's a mistake. It depends on how you use it. But I believe I can show ways in which I have taken the influence that I've acquired through the chairmanship, one, to make good public policy, but two, to be very helpful for the people in my district, because I frankly trade it off.

Schinella: Rebuttal, Rachel?

Brown: Sure. Barney has represented Wall Street every step of the way. The economist that I represent, Lyndon LaRouche, who has been an on-mark economic forecaster for the last 40 years, actually—members of our organization sat down with Barney Frank's office in 2003, and 2007, and said, this is a systemic crisis. We need a change in policy. We need a bankruptcy reorganization, and we need to outlaw speculation.

Mr. Frank said, no, I've got it under control.

State Street Bank: No 'Razzle-Dazzle'?

Sept. 7 (EIRNS)—House Financial Services Committee chairman Barney Frank described Boston's State Street Bank as a "legitimate business," not part of the "razzle-dazzle" perpetrated by such high-flying financial predators and speculators as AIG. Here's the real story.

On Feb. 4, 2010, the Securities and Exchange Commission instituted cease-and-desist proceedings against State Street Bank and Trust, charging the bank with having "misled investors about the extent of subprime mortgage-backed securities held in certain unregistered funds under its management. As a result of State Street's conduct, investors in State Street's funds lost hundreds of millions of dollars during the subprime market meltdown in mid-2007."

The SEC further charged:

"State Street provided certain investors with accurate and more complete information about the Fund's subprime concentration. These other investors included clients of State Street's internal advisory groups.... During 2007, State Street's advisory groups became aware, based on internal discussions and internally available information, that the Fund was concentrated in subprime investments. Prior to July 26, 2007, at least one internal advisory group also learned that State Street was going to sell a significant amount of the Fund's distressed assets to meet significant anticipated redemptions. State Street's internal advisory groups subsequently decided to



redeem or recommend redemption from the Fund and the related funds for their clients. State Street Corporation's pension plan was one of those clients. State Street sold the Fund's most liquid holdings and used the cash it received from these sales to meet the redemption demands of these better informed investors, leaving the Fund with largely illiquid holdings."

The SEC charged that State Street had not informed its victimized investors that "the Fund was concentrated in subprime bond investments and derivatives tied to subprime investments."

As a result of the government's action, State Street agreed to pay over \$300 million to investors, in addition to hundreds of millions the bank had already agreed to pay as compensation.

On its own website, State Street boasts about its global, offshore, speculative activities:

"State Street now services more than \$455 billion in alternative [!] assets and ranks as No. 1 in alternative asset servicing globally; No. 1 in private equity servicing globally; No. 2 in real estate asset servicing globally and No. 2 in hedge fund servicing globally, based on industry survey data....

"Through our Alternative Investment Solutions group, we administer more than 1,100 hedge and private equity funds across a wide range of investment strategies....

"State Street's extensive offshore operations require us to support many of the most complex fund structures, including structured finance products, multi-tiered legal entities, derivative-based funds, mortgage-backed funds, offshore trust products and alternative investment funds."

—Anton Chaitkin

His bill was written, as reported in the *Washington Post*, by Crédit Suisse and Bank of America, and has done nothing to stop foreclosures, but is simply there to bail out the mortgage-backed securities of the international speculators.

Schinella: Before you rebut, did Rachel and/or members of her organization meet with your office?

Frank: Yes, on several occasions. It often ended with my having to call the police, frankly, to ask them to leave, when they refused to do that.

In 2003, I was in the minority and I didn't have much effect. In 2007, when I was in the majority, I did begin to act on these things, but almost everything else she said, I'll be honest with you, I don't know what's more unreal, what she just said, or getting to Mars in a week. The fact is, that I never said we had the situation under control. And in 2007, let me say, when I became the chairman, I had already been working as a member of the minority to outlaw predatory lending. And in 2007, the committee I chaired passed a bill to block predatory lending, which the *Wall Street Journal* said was tying up housing, and keeping low-income people from getting housing—they called it Sarbanes-Oxley for housing. To them, Sarbanes-Oxley is a very bad word.

The credit card restrictions was something they fought very hard. And as far as mortgages were concerned, yeah, I was skeptical of many of these mortgage programs. I am proud of one that I have just gotten through, to lend Federal money to people who are unemployed, who made reasonable decisions, who didn't get hornswoggled into taking out loans they shouldn't have taken out, who may have been complicit in taking out they shouldn't have taken out. But they had solid mortgages, and you can't pay your mortgage out of unemployment compensation in most cases, and I got a bill through to lend them money, until they get their jobs back, and it'll save hundreds of thousands of homes.

Strategy for Election Victory

Schinella: Rachel, a question to you: According to opensecrets.org, you have about \$1,000 cash on hand in



EIRNS/Alan Yue

Brown: "Barney has represented Wall Street every step of the way." This graphic from EIR's cover of Sept. 19, 2008 portrays Frank, Sen. Chris Dodd, and Treasury Secretary Henry Paulson, leading architects of the bank bailout.

your campaign account. If you win the primary on Tuesday, and face off against a better-financed Republican, who potentially has more money, how do you plan on seriously competing with that candidate?

Brown: Sure! Well, what I've been doing in the campaign so far, is hitting the streets, and going door to door, and I think I've gone door to door in a majority of the district, all the way from Middleboro and Taunton, on down to every single neighborhood. So, people are aware of the campaign, and we're providing solutions. I'm providing a solution. It's not a solution to say, "I'm going to limit spending." It's not enough. So, you need a job creation program, and that's what I'm proposing. It can only be done through this top-down policy, of 1) removing Obama, 2) stopping the bailout, through Glass-Steagall policy, and 3) massive investment into infrastructure. Unless you have those as a policy, we're not going to see a change.

Schinella: Rebuttal?

Frank: Uh, yes, I do agree we have to spend more, but you've also got to deal with the deficit. That's why I think one of the most important things we can do right now, is to insist on a reduction of this worldwide military footprint: That means bring the troops home from Iraq; it means telling our Western European and Japanese allies that the time has come for them to increase their spending if they feel threatened. We have this Cold War hangover, where America is the protector of the

world. I want to defend America's legitimate interests, I want to fight terrorism. I wish you could fight terrorism with nuclear submarines, 'cause then we'd win, 'cause they don't have any! If we would not have gone to Iraq, and taken 5% of the money that was spent in Iraq here at home to deal with terrorism, we'd be a safer place.

And by the way, I think the worst victims of this, are the brave men and women of our military. Obviously, if we send them out there, I want to have them fully armed, and I worked very closely to make sure that they are. But we shouldn't be sending them into situations—it's unfair to the American military, to put them in a situation where they're called "non-combat troops" in Iraq, and people shoot at them!

Defense Spending

Schinella: Before we get to our lightning round, the last time I looked, the Pentagon budget is about \$770 billion and change. What would the ideal budget be?

Frank: Ron Paul, from Texas, and I believe you could cut that by at least \$100 billion a year, probably more, not by shorting the people out there—by the way, we're still prepared to win a nuclear war with the Soviet Union, which I think is unlikely, since they've collapsed—I believe you could cut it by 20% a year.

Schinella: Do you agree with that, or do you have another figure, on how you would cut the Pentagon budget?

Brown: Cutting \$100 billion, while giving \$24 trillion to Wall Street doesn't seem like much of a solution, so I don't think cutting spending is the issue. I think the issue is increasing our physical production.

Schinella: Okay, but if you're elected, would you vote for a reduction in the Pentagon budget, and how much if any figure?

Brown: I don't see a reduction as necessary right now.

'The Lightning Round'

Schinella: Okay.

All right, we're going to go to our lightning round, and here are the rules, basically: I throw this into every debate I do, and I have a lot of fun with it, and usually the candidates do too, one- or two-word answers to get through everything else that we've got to get through in the next six minutes or so. But please, adhere to the

rules. So, I will say a question, and it'll be either a one- or two-word answer.

So, for example, on abortion, Rachel, pro-choice, or pro-life?

Brown: I don't like A or B answers. I tend towards pro-life.

Schinella: Okay.

Frank: Pro-choice. Is that one word, or two?

Schinella: Okay. Defense of Marriage Act should be repealed, yes or no, Barney?

Frank: Yes, very much.

Schinella: Rachel?

Brown: I haven't made a decision.

Schinella: Foreign aid, Rachel, not enough, too much, just right?

Brown: We need a system of sovereign nation-states cooperating around development, mutual.

Schinella: Not enough, too much, just right?

Frank: Way too much in the military area, not enough in terms of fighting disease, which has effects on us.

Schinella: Barney, scrap the tax code and start over, yes or no?

Frank: No, too many vested interests are there. I think if you started over again, it would be good to do it differently, but you've got people now, who have made investment decisions based on it, they have their homes, they have other things, I think it's wildly impractical, and would cost a great deal in transaction costs.

Brown: Why don't we just scrap the whole system? I don't think that would be the [inaudible]...

Schinella: Value-added tax, yes or no?

Brown: Can't say right now.

Schinella: Okay, Barney?

Frank: No.

Schinella: Re-loosen offshore drilling regs? Barney, yes or no?

Frank: You said re—?

Schinella: Re-loosen, in other words, they were tightened, and now everything's clean, and they should be re-loosened?

Frank: No. I would keep them tight, particularly, by the way, for our district, with the fishing and tourism, it would be a great economic disaster, not just environmental.

Schinella: Re-loosen offshore drilling regulations, yes or no?

Brown: Some oil drilling is fine, but I think we need to move towards nuclear.

Schinella: Cape Wind, yes or no?

Brown: No. We need nuclear.

Frank: Yes.

Schinella: Reinstate tax credits for hybrid cars, yes or no?

Frank: For hypercars?

Schinella: For hybrid cars?

Frank: Oh, hybrid cars, yes.

Brown: I haven't made a decision.

Schinella: Cash for Clunkers, Rachel, was it successful or a disaster?

Brown: Disaster.

Frank: Very successful: Look at GM now, and the extent to which it's back into profitability, and Ford, which of course has done very well. It's helped them both.

Schinella: Barney, repeal of the Davis-Bacon Act, yes or no?

Frank: No, absolutely not.

Brown: I'm not sure.

Schinella: Prevailing wage law?

Brown: Not sure.

Schinella: Okay, enforced Taft-Hartley Act, Rachel, yes or no?

Brown: Sorry, is that for unions? What does it say?

Schinella: Do you want to explain it to her?

Frank: I think it's very restrictive, and makes it harder to organize, but even worse than Taft-Hartley is the Republican domination of the National Labor Relations Board, where they pretty much eviscerated the right of people to bargain collectively, and Obama is now restoring that, by his appointments to NLRB. I also support better legislation, because—

Schinella: Yes or no?

Frank: Well, you asked me to explain Taft-Hartley.

Schinella: Yes, I know. Can you do it in 30 seconds?

Frank: Well, explain? No, but, I think Taft-Hartley—look, any law on the books should be enforced,

but I could amend it, or I would like to enforce it fairly.

Schinella: Audit the Federal Reserve, yes or no?

Frank: We voted to do that, and the bill then was passed. There was a complete audit of the Federal Reserve in the legislation that was signed into law.

Brown: Full audit, and abolition.

Schinella: Child care tax credits, yes or no? Rachel, on the Federal level.

Brown: Yes.

Frank: Yes.

Schinella: Should the government begin doing more to promote anti-trust fights to protect consumers?

Frank: Oh, absolutely, it's one of the big differences between the Democratic and Republican administrations. Anti-trust was out of business under Bush, and Obama's revived it.

Brown: Yes.

'Say Something Nice About Your Opponent'

Schinella: Okay. We're getting towards the end of our debate here, I want to thank everybody for watching. I'm going to give you a couple of minutes, before your closing statements, and Barney we'll start with you: Just take a moment, and in a minute or so, say something nice about your opponent.

Frank: Well, I admire anybody who gets into the political process. My problem is with people who are very angry, and ignore the political process. I have a great deal—. That's why we're here debating: I think people who participate in the political process are to be commended, and a willingness to be criticized, to be ridiculed or whatever, if that deters people, democracy doesn't work.

Schinella: Rachel, say something nice about Barney.

Brown: I support his spunk.

Schinella: Great. Now, we're going to have two-minute closing statements with the candidates. The first person goes last, so Barney, you go first.

Frank's Closing Statement

Frank: I want to reiterate what I think is the essential thing we have to do to change public policy: America is now greatly overextended in its military commit-

ments. I want to defend our national interests, I want to fight terrorism: I don't see why that means that Germany, England, Denmark, the Netherlands, all get to have budgets for the military that are less than ours as a percentage of gross domestic product. I don't know why, 65 years after they ended World War II, we have Marines on Okinawa. I don't know why we have so-called "non-combat troops" in Iraq, and why it is this notion that we must intervene everywhere. People have said, "Oh, we must be a great power," and it's one of the major differences between one of my Republican opponents and myself.

He's been critical of me on this. I have teamed up with Ron Paul, a very intellectually honest, libertarian conservative, and we have others, Democratic and Republican, agreeing with us, and I will predict to you, that people are going to come around to seeing our view.

Here's the deal: We have to reduce the deficit, there's no question. One way to reduce the deficit, and again, one of my Republican opponents talks about this, is to cut entitlements, i.e., Social Security and Medicare. Another would be, to cut back on environmental protection and transportation and other things, all of those, and not Social Security and Medicare; there have to be limits on the amount we spend elsewhere, and I think we should raise taxes on people in the upper income bracket. But until we make a fundamental re-assessment, and bring down the extent to which America has undertaken the military subsidy of the rest of the world, we will not be able to bring down that deficit. And a commitment now to bring down that deficit over the long term, would allow us economically, to free up the tens of billions of dollars I would like to see immediately, to do the kind of jobs stimulation and promotion that an excessively slow, and low employment recovery requires.

Brown's Closing Statement

Schinella: Rachel?

Brown: Yeah. We need immediate action, swift action, with the manner that Franklin Roosevelt came into office with. If we don't have this, there will be no



LPAC

Brown goes door to door in Fall River, Mass., with the famous "Obama mustache" poster. Brown: "Obama is psychologically a ticking time-bomb." Frank: "I do not think that President Obama thinks like Nero, or like Hitler."

stop to the collapse. This is what LaRouche stated in 2007, when he was proposing the Homeowners and Bank Protection Act, which Mr. Frank said "was unnecessary." What that would have done, is to freeze foreclosures and stop the domino-like collapse of the financial system, which is now completely out of control.

Every single day that we continue these policies, more people lose their jobs, their homes, and even their lives. So, what we need to do, is these three things:

We've got to do it: Obama is not working for the people. He's psychologically a ticking time-bomb. He is not going to allow our country to get out of this mess, as long as he's in office. Get him out.

Two: Stop bailing out these banks. Mr. Frank has represented Wall Street every step of the way. If you want someone who's actually going to represent the population, with Franklin Roosevelt policies, that is what I'm going to do. That's what we need right now, is honesty, and a return to a physically productive economy.

Schinella: On behalf of New-TV here in Newton, Gatehouse Media New England, and Wicked Local Politics, we'd like to thank both challenger Rachel Brown, and incumbent U.S. Rep. Barney Frank, for being with us, for the 4th Congressional District Democratic debate. Don't forget to vote on Sept. 14. Polls will be open at 7 a.m. until 8 p.m. I'm Tony Schinella, thanks for being with us, and good night.