



Interview from Susan Hall

Honoring Teachout

Zephyr Teachout takes a deep look at corruption, defining it as the broken relationship between corporate mega entities like banks and the commonweal. It takes the attention of small groups of interested citizens, using the very tools that mega groups use to seize power to begin to deal with a systemic corruption in the United States, which now rivals the late 19th century corruption. Then Republicans broke up the trusts because they were too big to succeed for the common good. Teachout is leading the charge in a new effort to break up banks, Chase, and Monsanto too.

Teachout says, “It is time to break up the banks, and pass legislation enabling a new antitrust policy, one that takes scale into account... We create corporate power by allowing corporate charters; that means we can (and we already do) shape its limits. One of its limits should be size. No corporation should be big enough that it can gain illegitimate control over the political process. What's the right size? I don't know. We could measure in terms of revenue, or capitalization. A new antitrust would break up Google as well as AIG, and I think this is a very good thing.”

“One of my favorite Teddy Roosevelt sayings is this: "The hardest lessons to learn are those that are the most obvious...It is obvious that concentrated money will try to buy our political processes, and unless we challenge that, in a deep, structural way, no amount of small fixes in the short term will change that. Corporate power does not exist outside of us; it is ours to shape, and ours to bring under control. We create corporate power by allowing corporate charters; that means we can (and we already do) shape its limits. One of its limits should be size.”

Teachout thinks big: how corruption erodes the public trust, patriotism and any sense that we are all in this together. She notes that women often lead the charge against corruption. In the late 1990s Brooksley Born, as head of the Commodity Futures Trading Commission lobbied Congress and the President to give the CFTC oversight of off-exchange markets for derivatives in addition to its role with respect to exchange-traded derivatives. Born resigned shortly after Congress passed legislation prohibiting the CFTC from regulating derivatives. Bundled mortgages caused the mess. We have not yet recovered from are financial instruments that might have been controlled if Born had had her way. Jamie Dimon at Chase has begun using these very instruments again.

Teachout comes from Vermont, one of the New England states that still has town

meetings, A town meeting is a form of direct democratic rule used primarily in parts of the US since the 17th century, in which most or all the members of a community come together to legislate policy and budgets for local government.

The term has more recently been expanded to cover public meetings that draw people in a geographic area to discuss issues but not vote on any legislative or administrative action. Notably, politicians in the United States to describe forums at which voters can ask questions use the term. This may a particularly New England (and later West coast) form of government. It suggests that when individuals feel they have some control over what goes on, they act. Watching Senator Warren grill Chase executives about the 9-12 billion dollars Chase lost, one had hope. In the end Jamie Dimon the CEO got a slap on the wrist. Who was jailed after the subprime mortgage debacle? Little guys, not the big ones who dreamed up these vehicles.

What Teachout brings to the table in addition to her formidable mind, is a commitment to developing tools to fight corruption with its own tools: money and political power. Recently the big banking industry spent 365 times more than the small banks and other interested parties to push forward their interests. Unacceptable? Yes. Raise money. Fight them. Pick a narrow but important issue to make headway against rampant corruption.