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“Jamie Dimon Complains About Obama Demonizing Banks”

Trish Reagan: Whether or not these banks and bankers have been demonized, we want to bring in Taylor West, Democratic strategist New Partners, also Peter Flaherty, President of the National Legal and Policy Center. Great to see you guys. Peter, look, I know that you feel that the banks essentially brought themselves this mess by taking on too much risk. I agree entirely with you on that. But you know I guess at this point, enough is enough. Right? I mean we need to move forward. Why is it that politicians continue to demonize these guys?

Peter Flaherty: Well, I’m sorry if Jamie Dimon has his feelings hurt, but he really brought it upon himself. He supported Obama for President. He raised money for Obama. Virtually all the money-center bank CEOs supported Obama. Goldman Sachs was Obama’s second largest single source of cash during the campaign. You know, Dimon reminds me...

Trish Reagan: Did they just have rose colored glasses on? Did they just not clue in to the fact that this was someone from the Democratic party that believed fundamentally in a very different financial system perhaps than some of the Capitalists on Wall Street?

Peter Flaherty: I don’t think that Obama was deceptive during the campaign. I expected him to be a Socialist who wanted to crush the private sector and that is exactly what he is doing. You know, Dimon reminds me of the truck company owner in New Jersey who thinks he is a tough guy and can play with the mob but in the end organized crime ends up controlling his company.

Trish Reagan: But hey, at least someone is out there speaking.

Larry Kudlow: Yeah, but, OK. So Taylor, I usually would side with what Peter says, but I am going to take the other side in your honor, Taylor. Jamie Dimon runs a good bank and some of the things he said about banks being demonized are correct, are they not? I mean after all, they paid down the TARP. The taxpayers made some money on this. He wishes he had not taken the debt guarantees, but most of all it is time to move on and JP Morgan is doing very well, Taylor. So move me on, on this.

Taylor West: You know Larry, I’ve got to tell you, first of all, I wish somebody would demonize me with several billion dollars.

Larry Kudlow: How about that.

Taylor West: I think if you look at the millions of dollars that banks are putting in to derail this very financial regulatory reform that Dimon claims that they support then we are not moving on. We are not moving on until we fix the broken system that caused this economic collapse in the first place.

Larry Kudlow: Ok, so, but Jamie, I am with you on that too, but I want to add this point. Jamie Dimon did say that too big to fail should end.

Taylor West: True.

Larry Kudlow: That is my own mantra. If you really want to get the excess risk out of the system, without having micro management of little teensy weensy bureaucratic regulators standing over every trader end too big to fail. Will Chris Dodd be able to do it, Taylor?

Taylor West: I just lost my sound guys.

Trish Reagan: Oh.

Larry Kudlow: Oh, ok.

Peter Flaherty: Ok, well look, I will answer that question. The Dodd Bill...

Larry Kudlow: Go ahead, Peter. I think Chris Dodd and that whole process is the key, ending too big to fail. That is the key.

Peter Flaherty: The Dodd Bill perpetuates too big to fail. I'd much rather have the market deciding when companies go in and out of business and not the government. I just talked about how much political influence these bankers have with the government just think what will happen if one of them is teetering on the edge and the CEO of that company has supported the person who is going to make the decision.

Larry Kudlow: But it is very popular. I will tell you...I will take you on that point, but it is very popular from a tea party and populist stand point to end too big to fail. And when you read what they are doing, they are certainly moving in the direction of putting these banks, if they are teetering, into a bankruptcy process. I think the process, the Dodd process, maybe it is going to be bipartisan. I think it deserves more support. Jamie Dimon is pretty firm on too big to fail. I think that he deserves credit and I think so does Christopher Dodd.

Peter Flaherty: Well Dimon deserves credit for not taking some of the risk that his colleagues did, but at the same time JP Morgan Chase is a big player in the derivative market. So his hands are not clean. I think this whole thing started back in October of 2008 when Henry Paulson brought all these chieftains into a conference room in Washington, DC and told them that they had a new partner, the federal government. Jamie Dimon, nor any of his colleagues made a peep.

Taylor West: And Larry.

Trish Reagan: Taylor.

Taylor West: I apologize because I lost sound there for a little bit. But I did kind of want to jump back in and say that I am a little concerned about the revisionist history that is going on here. I mean, certainly JP Morgan has come out in a better position than a lot of these other

banks but let's be clear. When we were facing the economic collapse, the entire economy was teetering on the brink of here and it wasn't just a couple of banks. It was the entire financial system and it was put in that position by all of these banks acting irresponsibly.

Larry Kudlow: So you blame the banks. Should we just abolish the banks, Taylor? I mean where do you go from here on this?

Taylor West: No. In fact, what we need to do is put in some serious regulatory reform.

Larry Kudlow: Like too big to fail.

Taylor West: Which is exactly what we are trying to do and what the banks are fighting tooth and nail against.

Larry Kudlow: Like too big to fail. Are the banks fighting tooth and nail against too big to fail? It isn't clear to me. Are they?

Taylor West: I just saw an ad on television right before our segment fighting the Consumer Financial Protection Agency.

Larry Kudlow: Well that is different from too big to fail. Let's separate Elizabeth Warren out. Seriously, I am going to take the Chris Dodd Democratic position. Are the banks fighting Christopher Dodd's too big to fail? Are they? Ending it?

Taylor West: There have been millions of lobbying dollars pouring in against this.

Larry Kudlow: Well if you are right, it annoys me.

Trish Reagan: We've got to go guys thank you so much for joining us. Have a terrific weekend.

Peter Flaherty: Thank you. You too.