

How to Stop the Economic War Sweeping the World? Can We Challenge the Crimes of Our Time?

Will The Wall Street Banksters Ever Be Held Accountable?

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We are all still stuck in the “big Muddy.” No, not the wars of old or even the oil disaster. The mud I am referring to is more like quicksand and it sucks anyone who wants to look at what happened in the financial crisis deeper and deeper into it.

Soon, you are buried in shifting sea of so-called “exotic financial instruments,” and tranches, derivatives, credit default swaps, naked short-selling, etc and so forth, ad fin item. It’s murkier in there than in the oil-infested waters of the Gulf of Mexico.

Stop, my head hurts.

A far simpler explanation, pervasive fraud and financial crime, has been ignored by most of our economic geniuses. As I made my film *Plunder The Crime of Our Time* offering a “crime narrative,” I ran up against the denial that greeted my 2006 film *In Debt We Trust* warning of a meltdown. Then I was called, a “doom and gloomer.” Now I have just been ignored or considered simplistic.

Why is that? There are cultural and ideological reasons. The world of finance is dominated by the elite of the elite, up-right citizens all, including many philanthropists and patrons of the arts. How could such important “big men” ever be accused of slimy crimes?

James K. Galbraith, an economist and the son of John Kenneth Galbraith, the late and great economist who argued that “corporate larceny” was behind the crash of ’29, (I honor him in the DVD of my film) believes that the economics profession, the “experts” who set the terms of the debate are partly responsible. He shared his views in recent Congressional testimony.

“I write to you from a disgraced profession. Economic theory, as widely taught since the 1980s, failed miserably to understand the forces behind the financial crisis. Concepts including “rational expectations,” “market discipline,” and the “efficient markets hypothesis” led economists to argue that speculation would stabilize prices, that sellers would act to protect their reputations, that caveat emptor could be relied on, and that widespread fraud therefore could not occur. Not all economists believed this – but most did.

Thus the study of financial fraud received little attention. Practically no research institutes exist; collaboration between economists and criminologists is rare; in the leading departments there are few specialists and very few students. Economists have soft-pedaled the role of fraud in every crisis they examined, including the Savings & Loan debacle, the Russian transition, the

Asian meltdown and the dot.com bubble. They continue to do so now. At a conference sponsored by the Levy Economics Institute in New York on April 17, the closest a former Under Secretary of the Treasury, Peter Fisher, got to this question was to use the word “naughtiness.” This was on the day that the SEC charged Goldman Sachs with fraud.”

What a world: people who steal food are deemed criminals and sent away with long sentences in a prison system with the highest rate of incarceration in the world. Banksters are considered “naughty.”

This may be changing, ever so slowly, as a new era of investigations begins. The President has created a new federal anti-financial fraud task force. Goldman Sachs is being probed. So is Morgan Stanley. The Daily Beast reports on NY Attorney General Andrew Cuomo’s latest highly political legal jihad:

“New York Attorney General Andrew Cuomo is launching an investigation into eight banks to see whether they misled rating agencies, The New York Times reports Thursday. The agencies have been under attack since the financial crisis for over-rating the quality of mortgage investments offered by the banks. Cuomo’s new inquiry suggests that he believes that error may be in part due to banks’ chicanery. The A.G. is targeting Goldman Sachs, Morgan Stanley, UBS, Citigroup, Credit Suisse, Deutsche Bank, Crédit Agricole, and Merrill Lynch. It is a high-profile investigation for a politician who is said to have his heart set on New York’s governor’s seat.”

The problem here is that the criminal enterprise we are up against is not just in finance where securities laws only protect investors, but in real estate and insurance. The crimes there were more pervasive and hurt more people. You need a sense of how this whole system of corruption worked. This chart offers one sense of it:

<http://marcochacon.livejournal.com/732432.html>

This is why prosecutors need to use the RICO law aimed at conspiracies, not just lone wrong doers. Sadly, many in the media, including progressives, prefer the top-ten “list” approach used by magazines focusing on individuals not institutions. This personalizes the problem focusing anger at bad people, not a system gone amuck. Example: an excellent but limited list of bad guys posted by AlterNet: on “America’s Ten Most Corrupt Capitalists”

<http://www.alternet.org/news/146819>

Overseas, in Greece and England, and other parts of Europe, there’s been an indictment of American corporate predators, especially Goldman Sachs. They are being denounced as “financial terrorists” and discussed in terms of their links to various elite business formations like the Bilderberg Group. While unions say workers are being targeted in an economic war, the left also sees a counterrevolution underway against democracy with power moving firmly into the hands of bond traders and markets demanding austerity, not people’s Parliaments and elected politicians. European leaders say they are at war, too, against “speculators”

Surprisingly, there are voices on the right also speaking out. Cliff Kincaid of Accuracy in Media, an ultra conservative organization now fears that “Hedge Funds Spark World

Revolution,” writing:

“The Marxists used to be the experts in exploiting human suffering for the purposes of sparking revolution. But the hedge funds are doing better than the Marxists.

Consider that the business publication Barron’s has an article headlined on its cover, “A savvy hedge-fund manager reveals how to make money on Old World’s woes.” A better headline would have been “How to exploit human suffering.” At a time when people are dying in Greece because of riots in response to economic problems, what kind of publication would openly advertise how to make money at the expense of others and profit from their misery?

But this is how the hedge fund short sellers and their apologists work.”

Even as the banks push back against financial reform, watering down legislation against derivatives, too big to fail banks and even a full audit of the Federal Reserve Bank, the crisis lurches out of control. The NY Times reports that many jobs are not coming back, and debt is on the rise to historic levels. The next crash will be worst.

The Banksters need to be stopped, but only the people can do that—our media and politicians, right center and progressive, are not up to the task. What we need is more than exposes but a major effort to organize like foroureconomy.org. This is the only way to fight back against a one-sided war.

Mediachannel’s News Dissector Danny Schechter directed Plunder The Crime Of Our Time and wrote the companion book, The Crime of Our Time. Plunderthecrimeofourtime.com. Comments to Dissector@mediachannel.org

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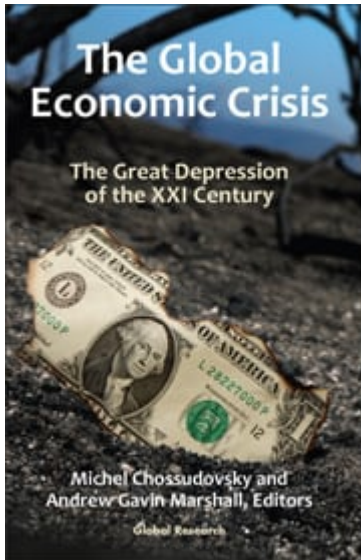
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