

# **Rising Inequality in America: Go, Wall Street, Go! Never mind the rise in unemployment and foreclosures...**

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Go, Wall Street, Go!

Never mind the rise in unemployment and foreclosures. Never mind the folks waiting to know if they will get the benefits they need before they are cut off. Never mind the growing gap between rich and poor, and the continuing spread of poverty.

(Did you know that inequality in the US is at the highest level of any industrialized country?)

Does any of this matter?

The idea of equality as a social goal is apparently passé.

Christmas has a special meaning on Wall Street:

It's bonus time. This brings to mind Peter Wolf singing with the J Geils Band, "First I look at the Purse."

The context was different but the meaning is the same.

Just five too big to fail bankster companies have stashed \$90 billion for payouts to prized employees. They know that the beat on The Street is fading, so it seems to be take the money and run time.

Incidentally, that "bonus pool" will rise with end of the year earnings.

Right now, the greedsters have a PR problem—how to transfer all this wealth from the banks to themselves with the lowest possible tax rate and the lowest degree of bad publicity.

They also will try to focus the media on supporting their right to such over the top rewards and "incentives" in the name, of course, of fostering an economic recovery/

Yes, it is a cynical exercise but no more blatant than the successful campaign to extend the Bush tax cuts for millionaires.

The mantra is simple: to those who have, more should be given.

So sayeth the faux populists of the Tea Party and their Republican benefactors. So sayeth the Democrats in the interest of compromise and getting some unemployment benefits to

workers even at an unacceptable cost.

Who will remind the American people that many of these banks are only here to pay because the government—our government—bailed them out and, then, the Federal Reserve Bank pumped trillions in no interest loans into their coffers.

Can we count on the media to point this out, to make the connection clear about the many government subsidies behind the gigantic payouts that are on the way to companies lobbying against government programs?

Don't count on it.

Last Sunday. 60 Minutes sat down with Federal Reserve Chairman Ben Bernanke. They asked him about the bonuses. The Fed head had nothing to say about that. He just wanted to praise his own efforts to save the financial system.

If you watched his body language you could see that his stab at optimism was forced. He admitted it will be at least 5 years—if that—before more jobs come back.

He seemed depressed perhaps because he didn't want to tell us we are in a depression. His past track record as a forecaster has been flawed to a fault. That was not noted.

As is common these days on the networks, no criticisms or contrary concerns intergrated into this world-shaking interview. There was no comment from Bernie Sanders who challenged the Fed's admission of a "jaw-dropping" injection of trillions into banks here and abroad. There wasn't even a response from libertarians like Ron Paul who was also horrified.

So much for reporting.

David Degraw of Amped Status says, the recent Fed disclosures were shocking.

"Just when I thought the banksters couldn't possibly shock me anymore... they did. We were finally granted the honor and privilege of finding out the specifics, a limited one-time Federal Reserve view, of a secret taxpayer funded "backdoor bailout" by a small group of unelected bankers. This data release reveals "emergency lending programs" that doled out \$12.3 TRILLION in taxpayer money – \$3.3 trillion in liquidity, \$9 trillion in "other financial arrangements. Wait, what? Did you say \$12.3 TRILLION tax dollars were thrown around in secrecy by unelected bankers... and Congress didn't know any of the details?"

Of course not!

The myth that the media continues to truck in is that somehow the Congress and the President are in charge of the economy,

They aren't.

Wall Street and the corporate world are clearly running the show, with little restraint so far, effective oversight or regulation.

Back to Degraw: "The Federal Reserve was secretly throwing around our money in unprecedented fashion, and it wasn't just to the usual suspects like Goldman Sachs, JP Morgan, Citigroup, Bank of America, etc.; it was to the entire Global Banking Cartel. To

central banks throughout the world: Australia, Denmark, Japan, Mexico, Norway, South Korea, Sweden, Switzerland, England... To the Fed's foreign primary dealers like Credit Suisse (Switzerland), Deutsche Bank (Germany), Royal Bank of Scotland (U.K.), Barclays (U.K.), BNP Paribas (France)... All their Ponzi players were "gifted." All the Racketeer Influenced and Corrupt Organizations got their cut.

"If you still had any question as to whether or not the United States is now the world's preeminent banana republic, the final verdict was just delivered and the decision was unanimous. The ayes have it.... I've been arguing for years that the market is rigged and that the major Wall Street firms are elaborate Ponzi schemes, as have many other people who built their beliefs on rational thought, reasoned logic and evidence. We already came to this conclusion by doing the research and connecting the dots."

Where does this leave us? Is there any hope?

The critics of the Fed see little:

There are some related developments underway that could shake things up.

The Bernie Madoff ponzi probers are targeting banks including HSBC that went along with his \$65 billion dollar fraud. A Swiss bank has already admitted it was complicit. The FDIC is investigating officials from banks that failed. Bank Of America just coughed up millions for financing an illicit bond scheme.

At the same time, the "Justice Department" (sic) has mounted an investigation into insider trading. They say there are 343 criminal investigations underway but none against big players. (The NY Times says they are "chasing small timers.")

ProRublica wites: "Everyone is wondering: Where are the investigations related to the financial crisis? John Hueston, a former lead Enron prosecutor, wonders: "Have they committed the resources in the right place? ... Nobody from Lehman, Merrill Lynch or Citigroup has been charged criminally with anything."

At the same time, Wikileaks is promising new revelations about financial chicanery at a major US bank that many suspect is Bank of America. On the housing front, many class action suits and investigations by state officials are challenging major fraud closures.

The crimes of Wall Street may yet do the bonus babies in.

There is still a slim chance that, as the economy gets worse, the people of this country will finally get to see through the haze and the BS and act.

Neither the Democrats nor the Repugnicians seem to have any fresh ideas.

It's up to us to break through our own illusions to fight the plunder of our country and world. We need to call for a jailout, not a bailout. of financial criminals -a full investigation followed by the prosecution of wrong doers. We need a campaign for economic justice.

If you are as disgusted by all this, as I am, it's time to act. Will we? Will you?

Finally. here's a question to puzzle in this season of joy: Who Holds The Subprime Mortgage on The Manger?

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The Global Economic Crisis



Michel Chossudovsky

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