

Let's Schmooze

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Capitalism ~ Corruption in the Public Sector

Soon after the Great (2007-2008) Recession, the Feds scolded the big banks ~ mostly those banks considered "too big to fail" ~ for bad, wrongful and outright brazen behavior. Huge penalties for illegal behavior were levied, and some banking executives were jailed.

You'd think that the message would have been loud and clear. Illegal behavior is both unlawful and punishable ~ for everyone ~ even for "high-falutin" banking executives.

However, for many of those in big, global banking, it's as if the Great Recession never happened. They caused it, and they don't seem to care less. For these big Wall Street bankers, it is just business as usual.

While America's middle class continues to shrink into grinding poverty, these global bankers are continuing to line their greedy pockets. Money has no loyalty ~ except to greed ~ and that ~ for the sake of greed.

Now, there are a lot of great bankers out there, the ones that deal directly with the general public. We touch on that in one of our article issues; look for *There's a Baby in That Nasty Bathwater* at the Article tab at www.heirling.com. Where America needs to make changes is at the very top, in the so-called "C" suite.

It is in these powerful executive suites that we will find the instigators of the double-crossing shenanigans of the big Wall Street and global bankers.

It is good that the Feds are finally starting to come face-to-face with this contorted banking issue. The real problem, though, is the "revolving door" ~ think "crony" capitalism ~ that

exists between the Feds and these big global banks. They hire talent from each other back and forth all the time.

That leads to corruption in the public sector. A big banker might learn the trade on Wall Street, then serve a stint at the Federal Reserve or US Treasury, and then go back to work on Wall Street. It's so cozy! ~ and it keeps regulators "soft" and bankers "naughty."

Why would a top-level government regulator want to be hard on what might turn out to be an enticing future employer? The "revolving door" is totally corruptive.

A prime example? Ex-Fed-chief Bernanke joined the investment giant Pimco as a senior advisor after retiring from the Federal Reserve. What a perfect example of the unsavory relationship that exists between our top government regulators and the big, private-market bankers!

This revolving door between the "regulators" and the "regulated" is absolutely corruptive of even the most innocent and well intentioned.

Until we-the-people put an end to these incestuous revolving doors, we can expect regulators to remain soft and bankers to remain naughty.

This is crony capitalism ~ corruption in the public sector ~ running amok.

That is not good! We need to build some sort of wall between these two camps! Our banking system is rigged against mainstream America. Maybe ~ just maybe ~ the Feds might some day finally lead the way to some meaningful changes.

Those trillions of dollars that the Feds released a few years ago in an attempt to kick-start the economy ~ most of those trillions ended up in the back pockets of America's big Wall Street bankers. It is too bad that the Feds didn't see the wisdom of spreading some of those trillions among all of America's middle-class mall shoppers. If they had, today's financial news would be very different!

Big banks sitting on our trillions of dollars ~ or gambling in the global stock markets ~ doesn't help Main Street America.

The money has to circulate! Personally, I think that these big Wall Street and global bankers are far more of a threat to America's overall health than either a dangerous disease such as Ebola or a violent terrorist group such as ISIS.

These big bankers are choking the very life blood of our beloved America.

All those trillions of dollars that they are keeping for themselves need to start flowing thru our economy in the form of better rank-and-file wages and lots of small business start-up loans.

~ 'til we meet again ~

For a quick write-up on what capitalism is, look for *Expressions of Consciousness* at the Books tab at www.heirling.com. In that book, there is a chapter that quickly lays bare the essence of capitalism.