OMNI

US CAPITALISM NEWSLETTER #17, March 16, 2014.


This issue of OMNI’s US Capitalism Newsletter distinctly examines the dysfunctions and the alternatives to US capitalism. Remember that the defense of US capitalism—the US capitalist propaganda system—is backed by billions of dollars. OMNI is sitting on the high end of the teeter-totter (as we are also on US imperialism and other issues), but at least we are here.

My blog: The War Department and Peace Heroes
http://jamesrichardbennett.blogspot.com/

Newsletters:
http://www.omnicenter.org/newsletter-archive/

Index:
http://www.omnicenter.org/omni-newsletter-general-index/

See Class, Corporate Personhood, Corporations, Economics, Globalization, Go Not to Jail, Greed, Inequality, Information Control, Lobbying, Marx, Military Industrial Complex, Monopoly, Occupy, Rapacity, Regulation, Secrecy, Socialism, Too Big To Fail, US Economic Imperialism, Working Class, and related topics.

Nos. 13-16 at end.

US Capitalism Newsletter: Dysfunctions and Alternatives #17

Dysfunctions of US Capitalism

Starkman, Failure of US Journalism to Investigate US Financial Power

Cynthia Lobeda, Deep Structural Dysfunction of Capitalism

William Greider, Federal Reserve Needs Overhaul

Lee Fang, Corporate Control of TPP
Red Ink, Film by Kusha Sefat on Money, Politics, and Media in US
Alternatives to US Capitalism
Richard Swift. SOS: Alternatives to Capitalism (May 2014)
The Monthly Review
Sader and Silverstein, Lula and Brazil’s Workers Party
Google Search March 16, 2014

The Watchdog That Didn’t Bark: The Financial Crisis and the Disappearance of Investigative Journalism by Dean Starkman

January, 2014
Cloth, 368 pages, Graphs: 5,
$24.95 / £16.95
In this sweeping, incisive post mortem, Dean Starkman exposes the critical shortcomings that softened coverage in the business press during the mortgage era and the years leading up to the financial collapse of 2008. He locates the roots of the problem in the origin of business news as a market messaging service for investors in the early twentieth century. This access-dependent strain of journalism was soon opposed by the grand, sweeping work of the muckrakers. Propelled by the innovations of Bernard Kilgore, the great postwar editor of the Wall Street Journal, these two genres merged when mainstream American news organizations institutionalized muckraking in the 1960s, creating a powerful guardian of the public interest. Yet as the mortgage era dawned, deep cultural and structural shifts—some unavoidable, some self-inflicted—eroded journalism’s appetite for its role as watchdog. The result was a deafening silence about systemic corruption in the financial industry. Tragically, this silence grew only more profound as the mortgage madness reached its terrible apogee from 2004 through 2006.

Starkman frames his analysis in a broad argument about journalism itself, dividing the profession into two competing approaches—access reporting and accountability reporting—which rely on entirely different sources and produce radically different representations of reality. As Starkman explains, access journalism came to dominate business reporting in the 1990s, a process he calls “CNBCization,” and rather than examining risky, even corrupt, corporate behavior, mainstream reporters focused on profiling executives and informing investors. Starkman concludes with a critique of the digital-news ideology and corporate influence, which threaten to further undermine investigative reporting, and he shows how financial coverage, and journalism as a whole, can reclaim its bite.

[Contact the Journalism Depts. in your state to insist they provide a good IJ program with professors committed to accountability instead of access reporting. At UAF (which has not IJ program, contact Chairman Dale Carpenter, 479-575-5216. –Dick]
You are invited to join a brand new NSP Book group. We'll be reading the same book and then communicating through email with each other about our reactions. At some point we might want to make it live on a conference call or on a Skype or G chat. And we are starting with a fabulous book, *Resisting Structural Evil: Love as Ecological and Economic Vocation* by Cynthia Moe Lobeda (a professor at Seattle University). What is so powerful about this book is that it is grounded in spiritual and religious principles yet is an amazingly powerful critique of capitalism. Let me explain.

**The everyday workings of global capitalism are endangering the survival of the planet and perpetrating structural economic violence on many people in the developing world.**

How can flawed people like ourselves who are hopelessly entangled in practices and institutions that perpetuate injustice and violence against the earth (and ultimately our own children and grandchildren) possibly live an ethically responsible, justice-promoting life?


Here's how to find the book if it's not in your local bookstore:

Resisting Structural Evil: Love as Ecological-Economic Vocation by Cynthia D. Moe-Lobeda


I was introduced to this book during the recent training seminar hosted by the Network of Spiritual Progressives in San Francisco, California. I just picked up a copy, and I invite you to do the same - then join me in an online reading/discussion group!

It is a 300 page book, divided into eleven chapters. I would like to take our time with it, covering one chapter a week, so we can have full, deep discussion on the issues, concepts, and questions it presents. However, since the discussion will all take place online, we can be as flexible as we need to be!

We will begin discussing the following sections on Sunday, March 9th

*Foreword by Larry Rasmussen xi-xii*
*Opening Words xvii-xix*
*Introduction 1-21*

If you are intrigued, please email me, **Amy Broyles**, at [northknoamy@gmail.com](mailto:northknoamy@gmail.com). We will set up a private email list that allows us to have an ongoing, open conversation as we read together. Feel free to join in at anytime - it is sure to be a rich discussion. If you can't make the first date, just email me at a later date, once you've gotten and read the first chapter or two. You are welcome
to join at anytime.

This is a book that will inform, inspire, and can transform one's perspective. I look forward to your reply, and to hearing your thoughts and insights on the challenging topic that Cynthia D. Moe-Lobeda explores in this book!

Much love,
Amy

web: www.spiritualprogressives.org
email: info@spiritualprogressives.org
Click here to unsubscribe

Why the Federal Reserve Needs an Overhaul
This 100-year-old antique is undemocratic, too close to elite banking interests, and often blind to the economic conditions that affect most Americans by William Greider

The Federal Reserve is celebrating its 100th birthday with due modesty, given the Fed’s complicity in generating the recent financial crisis and its inability to adequately resuscitate the still-troubled economy. Woodrow Wilson signed the original Federal Reserve Act on December 23, 1913. Eleven months later, the Federal Reserve System’s twelve regional banks opened for business. But in a sense the central bank was born in the autumn of 1907, when another devastating financial crisis swept the nation, destroying banks, businesses and farmers on a frightening scale.

J.P. Morgan and his fraternity of New York bankers intervened with brutal decisiveness in the efforts to halt the Panic of 1907, choosing which banks would fail and which would survive. Afterward, Morgan was hailed in elite circles as a heroic figure who had saved the country and free-market capitalism. The nostalgia for Morgan was misplaced, however: as insiders knew, the real story of 1907 was that Washington intervened to save Wall Street—the twentieth century’s own inaugural bailout.

When Morgan’s manipulations failed to heal the hemorrhaging banking system, the Morgan men turned to Treasury Secretary George Cortelyou and implored him to send money—lots of it. The next day, some $25 million in emergency federal deposits were sent to New York, and the Morgan team spread the money around among the desperate banks. About the same time, Morgan dispatched two industrialists from US Steel to meet with President Teddy Roosevelt and get his assurance that the government would look the other way as they executed a corporate merger.
likely to violate anti-trust laws.

The government saved the day, but it was a close call. Wall Street’s wiser heads recognized that the country’s banking system had become dangerously unstable, prone to reckless excess and recurring panics and depressions. Banking needed a safety net. Leading financiers designed one: a central bank empowered to stabilize the financial system and rescue it in times of crisis.

The bankers not only wanted access to the Federal Reserve’s money but insisted on controlling this new institution themselves. They pretty much got what they wanted. The Federal Reserve Banks in twelve major cities would literally be owned by local banks, which would function as private shareholders (they still do). The Federal Reserve Board in Washington, with governors appointed by the president, was a modest concession to democratic sensibilities.

This hybrid institution, in which private economic interests share power alongside the elected government, was founded on an absurd pretense. Decisions at the Federal Reserve, it was said, should be made by disinterested technocrats, not officeholders, and deliberately shielded from the hot-blooded opinions of voters as well as politicians. Representative Carter Glass of Virginia, a leading sponsor, promised “an altruistic institution…a distinctly non-partisan organization whose functions are to be wholly divorced from politics.”

Of course, the claim was ridiculous on its face. Given the enormous size of the Fed’s power to affect economic outcomes and people’s lives, the central bank’s decisions inescapably favor some interests and injure others. By controlling interest rates and the availability of credit, Fed governors necessarily referee the conflicts between lenders and debtors. Whatever you call it, that’s the realm of politics.

The remnant Populists still in Congress in 1913 were not fooled by the talk of political neutrality. Representative Robert Henry of Texas described the new central bank as “wholly in the interest of the creditor classes, the banking fraternity, and the commercial world without proper provision for the debtor classes and those who toil, produce and sustain the country.”

A hundred years later, the country seems to have circled back to the very same arguments. We are confronted again by the financial destructiveness the Fed was supposed to eliminate. Despite some worthy reforms that centralized power in Washington, bankers still run wild on occasion, ignoring restraints and spreading misery in their wake. The Fed still rushes to their rescue with lots of money—public money. And people at large still pay a terrible price for official indulgence of this very privileged sector.

So this is my brief for fundamental reform: dismantle the peculiar arrangement and democratize it. The Federal Reserve has always been a glaring contradiction of democratic values. After a
century of experience, we should be able to conclude from events that the system simply doesn’t work. Or rather, it does very well for bankers, but not for ordinary citizens. The economy does require a governing authority—Fed advocates are right about that—but it suffers from the Fed’s incestuous relationship with Wall Street bankers. My solution: throw open the doors, let the people into the conversation and the decision-making. The untutored ranks of citizens are as fallible as any economist, but they often know things about economic reality well before the experts.

I know reforming the Fed sounds improbable, especially given our dysfunctional political system. But I have a hunch the case for reform will grow stronger, because the pain continues for most Americans. Despite frequent assurances by the authorities, the broken economic system has not been fixed—not by the Federal Reserve, not by the Obama administration and certainly not by Congress.

Treasury Secretary Jack Lew recently claimed that the Obama administration has eliminated the specter of “too big to fail” banks. Reform-minded critics responded with catcalls. “I’d tell him he’s living on another planet,” said Senator David Vitter, while his colleague Sherrod Brown noted that the four largest banks, after receiving bailout money in 2008, have grown by $2 trillion. They also enjoy below-market interest rates when they borrow from credit markets and other banks because the investors figure Washington won’t let them fail.

William Greider

INVESTIGATING HOW MONEY CORRUPTS DEMOCRACY

- Media Companies Lobby for Trans-Pacific Partnership
- "Free Beacon" Fronts For Taiwan Lobby
- Steve Law's Contradictions
- Bribery Scandal Bigger Than Just Countrywide?
- New Record On Anti-Health Reform Spending

TRENDING TOPICS:

- APSCU
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- INFLUENCE PEDDLING
  \  
- CITIZENS UNITED
  \  
- ALEC
  \  
- SUPER PACS
  \  
- ALL ARCHIVES...

FEBRUARY 17, 2014
Obama Admin’s TPP Trade Officials Received Hefty Bonuses From Big Banks

Officials tapped by the Obama administration to lead the Trans-Pacific Partnership trade negotiations have received multimillion dollar bonuses from CitiGroup and Bank of America, financial disclosures obtained by Republic Report show.

Stefan Selig, a Bank of America investment banker nominated to become the Under Secretary for International Trade at the Department of Commerce, received more than $9 million in bonus pay as he was nominated to join the administration in November. The bonus pay came in addition to the $5.1 million in incentive pay awarded to Selig last year.

Michael Froman, the current U.S. Trade Representative, received over $4 million as part of multiple exit payments when he left CitiGroup to join the Obama administration. Froman told Senate Finance Committee members last summer that he donated approximately 75 percent of the $2.25 million bonus he received for his work in 2008 to charity. CitiGroup also gave Froman a $2 million payment in connection to his holdings in two investment funds, which was awarded “in recognition of [Froman's] service to Citi in various capacities since 1999.”

Many large corporations with a strong incentive to influence public policy award bonuses and other incentive pay to executives if they take jobs within the government. CitiGroup, for instance, provides an executive contract that awards additional retirement pay upon leaving to take a “full time high level position with the U.S. government or regulatory body.” Goldman Sachs, Morgan Stanley, JPMorgan Chase, the Blackstone Group, Fannie Mae, Northern Trust, and Northrop Grumman are among the other firms that offer financial rewards upon retirement for government service.

Froman joined the administration in 2009. Selig is currently awaiting Senate confirmation before he can take his post, which collaborates with the trade officials to support the TPP.
The controversial TPP trade deal has rankled activists for containing provisions that would newly empower corporations to sue governments in ad hoc arbitration tribunals to demand compensation from governments for laws and regulations they claim undermine their business interests. Leaked TPP negotiation documents show the Obama administration is seeking to prevent foreign governments from issuing a broad variety of financial rules designed to stem another bank crisis.

A leaked text of the TPP’s investment chapter shows that the pact would include the controversial investor-state dispute resolution system. A fact-sheet provided by Public Citizen explains how multi-national corporations may use the TPP deal to skirt domestic courts and local laws. The arrangement would allow corporations to go after governments before foreign tribunals to demand compensations for tobacco, prescription drug and environment protections that they claim would undermine their expected future profits. Last year, Senator Elizabeth Warren warned that trade agreements such as the TPP provide “a chance for these banks to get something done quietly out of sight that they could not accomplish in a public place with the cameras rolling and the lights on.” Others have raised similar alarm.

“Not only do US treaties mandate that all forms of finance move across borders freely and without delay, but deals such as the TPP would allow private investors to directly file claims against governments that regulate them, as opposed to a WTO-like system where nation states (ie the regulators) decide whether claims are brought,” notes Boston University associate professor Kevin Gallagher.

See more at: http://www.republicreport.org/2014/big-banks-tpp/#sthash.2rSBNCNh.dpuf

RED INK, Film by Kusha Sefat.

“Uses the Occupy Wall Street movement as an entry point to look at the American state apparatus, and illustrates how politics, money and media are interwoven in the U.S.” Z Magazine (March 2014) Contact: http://vimeo.com/85091504

ALTERNATIVES TO USE CAPITALISM

SOS: Alternatives to Capitalism

By Richard Swift

• BOOK DETAILS

• REVIEWS
With capitalism vulnerable and out-of-step in the wake of financial crises this book investigates the alternatives that are on offer—including socialism, anarchism, and deep ecology. It picks its way through the pockets of resistant thinking and emerges with paths to changing the world that rest less on rigid ideology imposed from above than on practical transformation from below.

*Monthly Review, An Independent Socialist Magazine*

[monthlyreview.org](http://monthlyreview.org/)
This issue of *Monthly Review* is mainly devoted to two commemorations: for Paul Alexander Baran, who died fifty years ago this month; and for Hugo Rafael ...

**Without Fear of Being Happy: Lula, the Workers Party and Brazil**

by Emir Sader and Ken Silverstein. *Verso* 40 years of radical publishing

A comprehensive examination of the past, present and prospects of the Workers Party.

The Brazilian Workers Party is the most important political formation to emerge in Latin America for many years. Under the charismatic leadership of an ex-metalworker and union official, Luis Inácio da Silva, known simply as “Lula” by the Brazilian masses, the Workers Party won 31
million votes to come within three per cent of winning the 1989 presidential election on a bold anti-
capitalist platform.

Taking its title from the Workers Party’s slogan in these elections, Without Fear of Being Happy shows
how the party’s development reflected the increasing social inequalities under Brazil’s military
dictatorship of 1964 to 1985, and gives an account of the wave of strikes organized by Workers Party
leaders which accelerated the collapse of the generals’ regime. Since its formation in 1980, the party has brought together trade unionists, landless peasants, shantytown activists, the progressive wing of the Catholic Church and human rights campaigners. Drawing on the experiences and aspirations of this wide coalition, it has attempted to redefine a
socialist perspective in a time of triumphant neo-liberalism.

In a detailed assessment of the organization, program and electoral prospects of the Workers Party
today, Emir Sader and Ken Silverstein highlight the dilemmas it faces as a radical political force in a
country whose economy—the eighth largest in the West—attracts keen interest from the United States.
The Workers Party’s success has foreshadowed the emergence of leftwing coalitions in other countries
of the region and has been an inspiration for socialists throughout the Third World. The first
comprehensive account of this remarkable political phenomenon, Without Fear of Being Happy will be
of lasting value to all those interested in Latin American politics and anti-imperialist strategies in the
era of the New World Order.

GoogleSearch, Alternatives to US Capitalism, March 16, 2014, first page

1. There Are Good Alternatives to US Capitalism, But No Way to Get ...
www.alternet.org/.../there-are-good-alternatives-us-capitalism-no...

AlterNet
Jul 24, 2013 - The following is an excerpt from Jerry Mander's new book
The Capitalism Papers: Fatal Flaws of an Obsolete System (Counterpoint, 2013):

2. If Not Capitalism, What? - Allan G. Johnson
www.agjohnson.us/glad/if-not-capitalism-what/

When I think about alternatives to capitalism, I go back to basics, to the question of... and
industrial societies use heavy machinery and other technology to plant, ...

3. Is There an Alternative for Capitalist Economics and Politics ...
truth-out.org/.../13759-is-there-an-alternative-for-capitalist-econ...

truthout
Jan 8, 2013 - He also describes Workers’ Self-Directed Enterprises (WSDEs) as an alternative to the capitalism that broke the US economy and has resulted ...

4. The future of business: what are the alternatives to capitalism ...
www.theguardian.com › ... › Guardian Sustainable Business
There are many alternatives to capitalism. Legislation and subsidies could support us to buy the companies we work in through labour trusts.

5. The Alternative American Dream: Inclusive Capitalism | The PBS
www.pbs.org/.../the-alternative-american-dream...

Public Broadcasting Service
Aug 28, 2013 - The second largest cohort of inclusive capitalism companies makes use of “stock options.” This category is a favorite of entrepreneurial;

6. The Alternative To Capitalism | World Socialist Party (US)
wspus.org/in-depth/the-alternative-to-capitalism/
The use of the term common ownership to refer to the basic social relationship of the alternative society to capitalism is not to be taken to imply therefore that;

7. It's the System Stupid: Structural Crises and the Need for Monthly Review
Nov 1, 2013 - To put it into a slogan: Capitalism Is No Alternative, or CINA. 4 In the United States it is proclaimed that there is a democracy in the political;

8. Alternatives to Capitalism | Professor Richard D. Wolff
rdwolff.com/content/alternatives-capitalism
Richard D. Wolff
Feb 11, 2013 - In the US, what capitalist corporations began decades ago, abandoning urban centers like Detroit, Cleveland, and so on, is now being;

www.ru.org/political-science/is-there-an-alternative-to-capitalism.html
They contend that we have to accept the inequalities and defects that we have today in America because the only other alternative is the misery and drudgery of;

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Staggenborg, Pledge to Amend, Anti-Corruption Act Petition

END US CAPITALISM NEWSLETTER #17

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Dick Bennett

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