

Blaming “The Stupids” for the Financial Disaster

Thomas Friedman’s Sermon From The Mount of the NYT Op-Ed Page

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The Stupids are back.

You remember that fictional family who appear in series of books portrayed as incompetent to the point of confusing the most simple concepts and tasks. The books were themselves denounced as irresponsible and inspired films which were dismissed as stupid plus.

But now the Stupids seems to have inspired a column by none other than Thomas Friedman of the not your father’s New York Times. In a new column by this best selling hero of all serious media, we finally have a easy to read explanation of the financial crisis—namely the nerds on Wall Street were just plain dumb, or to use an overused term, “stupid.”

The author of *The World Is Flat*, which one reader in Australia described as a book about “financial geniuses who were beating our olive trees into Lexuses!,” calls the Wall Street wunderkinds:

“...overrated dopes who had no idea what they were selling, or greedy cynics who did know and turned a blind eye. But it wasn’t only the bankers. This financial meltdown involved a broad national breakdown in personal responsibility, government regulation and financial ethics.”

Tom then lays out who was complicit in all this—with nary a mention of the media that spent years hyping the “financial innovation on Wall Street.” His answer: all of us. Everyone, he concludes, was involved so you can’t really blame anyone, much less prosecute the fraudsters and, to use an FDRis, “banksters” who bamboozled the gullible and laughed all the way to the bank or their high priced condo—which ever came first.

“This financial meltdown involved a broad national breakdown in personal responsibility, government regulation and financial ethics., ” he divines.”

“So many people were in on it: People who had no business buying a home, with nothing down and nothing to pay for two years; people who had no business pushing such mortgages, but made fortunes doing so; people who had no business bundling those loans into securities and selling them to third parties, as if they were AAA bonds, but made fortunes doing so; people who had no business rating those loans as AAA, but made a fortunes doing so; and people who had no business buying those bonds and putting them on their balance sheets so they could earn a little better yield, but made fortunes doing so.”

America: confess your guilt. Because as long we all did it, as long as unsophisticated borrowers and subprime victims are treated in Friedman speak as equally to blame with shrewd lenders pedaling products they knew were unaffordable, then no one can ever be held responsible. To him, the bankers and brokers were not driven by avarice and self-interest but by ignorance and idiocy. How patronizing!

He quotes a piece by writer Michael Lewis saluting former CitiBank analyst Meredith Whitney for warning the "Citi That never sleeps" that it was headed for the grave.

"This woman wasn't saying that Wall Street bankers were corrupt," he added. "She was saying they were STUPID "(caps mine). (That word again, finally used in polite company.) Her message was clear. If you want to know what these Wall Street firms are really worth, take a hard look at the crappy assets they bought with huge sums of borrowed money, and imagine what they'd fetch in a fire sale..."

Here's one more whistle blower who was only concerned about profitability, not the morality and criminality that the FBI says was pervasive in the mortgage industry. When you are complicit in enabling criminals, or profit from their dirty deeds, you become a criminal. Or so say any number of prosecutors who routinely use RICO laws to jail criminal conspiracies.

A number of New York Times readers denounced this moral obtuseness and media simplification. Wrote Mary Lou from Springfield MO with great brevity: "And still no suits not even fired, let alone in cuffs."

SEO writes from Maine: "The ones at the top have walked away with vast fortunes, while the humble taxpayer pays to clean up after them."

At the same time, Friedman blankly repeats the central mantra that is keeping these criminals rich, to wit: Citi is too big to fail. If anyone was held responsible the shock would destroy the system, and without the system, why, heaven forbid that we should even contemplate such a grim prospect."

And Wesatch chimes in from Houston: "Quit blaming sub-prime mortgages as the sole culprit of this mess. It started at the Fed and its misguided policies.... The simplification of this mess by a daily column cannot be done. It let's too many off the hook."

Why is it that Friedman and so many of his colleagues have not fully examined the "subcrime" scams that deliberately (with malice and forethought) talked so many into taking on debts they could never pay back? Why haven't they connected the dots with those who bought up these mortgages to package and profit from them as securities?

Can't they see the connection to a predatory and well institutionalized Ponzi scheme with a chain of complicity? These players were at the same time interdependent and in it together. It was a cartel of sleazy operators and securitizers, big and small, connecting small town brokers to big time bankers.

These erudite journos assume that the homeowners who have still not been really helped by all the plans, TARPS and Bailouts were just plain stupid or even deserving of being dumped in the street.

Who are the Stupids here — the people who are losing everything or the media wise men who turn their eyes and pens away from examining the crimes of Wall Street who write in well polished generalities that seem critical at first reading, but then reveal themselves as totally superficial?

Can it be that people who live in big houses, can't see or FEEL the pain of the people shackled by debt in smaller abodes down the street, the folks who are just waiting for the sheriff to toss them out?

Tom Friedman lives in one of those very big houses — you can see it on the Internet at sustainelane.com — but he also purports to be guided by a moral compass even as he blames us all for the sins of a few, concluding:

“That’s how we got here — a near total breakdown of responsibility at every link in our financial chain, and now we either bail out the people who brought us here or risk a total systemic crash. These are the wages of our sins.”

One sin Tom doesn't comment on is the failure of our media to do a better job of assessing how that irresponsibility was permitted, even encouraged, and who should be held accountable. He was also taken to task for this glib meditation on sin by yet another Times reader, in Arkansas, who calls himself, Death By Inches:

“These are the wages of our sins.” Watch that “our” stuff, buddy. My family has not sinned. We're not the brightest bulbs in the pack, but we arrive at this disaster with our house paid off, our cars paid off and no credit card debt. We've lived the way Wall Street bankers have not.

We all may be guilty in the eyes of the Archbishop of the New York Times but some are far, far guiltier. Why don't we find out just who, with a National Commission of Investigation with subpoena power and the right to seize documents and cross-examine, is the “someone” that has to be held accountable!

As I have been saying for over a year, it's time for a JAILOUT, not just a bailout. News Dissector Danny Schechter offers another narrative on the crisis in his book PLUNDER (Cosimo Books), now at online bookstores, and in a new film in the making with the same name. [See our new trailer](#) Comments to dissector@mediachannel.org

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