

# Financial Parasites Have Killed the American Economy

A Review of Economist Michael Hudson

By [Washington's Blog](#)

Theme: [Global Economy](#)

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Michael Hudson is a highly-regarded economist. He is a Distinguished Research Professor at the University of Missouri, Kansas City, who has advised the U.S., Canadian, Mexican and Latvian governments as well as the United Nations Institute for Training and Research. He is a former Wall Street economist at Chase Manhattan Bank who also helped establish the world's first sovereign debt fund.

Hudson has frequently described Wall Street as “parasitic”. For example, in a 2003 interview, Hudson [said](#):

The problem with parasites is not merely that they siphon off the food and nourishment of their host, crippling its reproductive power, but that they take over the host's brain as well. The parasite tricks the host into thinking that it is feeding itself.

Something like this is happening today as the financial sector is devouring the industrial sector. Finance capital pretends that its growth is that of industrial capital formation. That is why the financial bubble is called “wealth creation,” as if it were what progressive economic reformers envisioned a century ago. They condemned rent and monopoly profit, but never dreamed that the financiers would end up devouring landlord and industrialist alike. Emperors of Finance have trumped Barons of Property and Captains of Industry.

More recently, Hudson [said](#):

You can think of the financial sector as being wrapped around the real economy, almost like a parasite, and that's why it's been called parasitic for so long. The financial sector extracts interest from the economy, the property sector extracts economic rent, as do monopolies. Now the key thing about parasites, is that it's not simply that they extract nourishment from the host. The parasite takes over the host's brain, to make it think it's part of the economy, to make it think it's part of the host's own body, and, in fact, that's it almost like a child of the host, to be protected. And that's what the financial sector has done today.

You have Obama coming out and saying, “We have to save the banks in order to save the real economy”. The fact is, you can't serve both the parasite and the host.

And see [this](#).

Today, I heard the podcast of an interview by KPFA radio host Bonnie Faulkner in which Hudson went even further. Specifically, he said:

- The giant financial institutions have *already* killed their host – the real American economy
- Since they realize that the American economy is dead, they are trying to suck as much blood out of America as possible while the corpse is still warm
- Because the American economy is dead, their plan is to soon jump to *another* host. They will ship all of their money overseas

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