

Media Buries Reports on Financial Crime

By [Danny Schechter](#)

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As the November election approaches, the White House seems to be ending its Rip Van Winkle-like slumber and has begun crawling out of the bubble of its own making. Many fear it's a bit late.

The shakeup of President Obama's economic team is long overdue. As Larry Summers slithers back to Harvard to save his tenure and write his book, he is likely to be replaced by exactly the wrong kind of person—a business executive, appointed to try to appease the Repugs and the Right. (Summers was paid \$586,996-a-year at Harvard and picks up all kinds of consulting deals on the side from Wall Street.)

This maneuver won't work of course because nothing Obama does will ever please them because they need him as their piñata, and a symbol of failure. He claims to see that but just can't seem to get his appeasement gene in check. Notes the Naked Capitalism blog

"As much as some will be pleased to see Larry gone (he was a leading advocate of bank-friendly policies), his replacement is certain not to represent a change in philosophy.... he has made the cardinal mistake of trying to please everyone and has succeeded in having no one happy with his policies.

Journalist Robert Scheer hopes "Summers will have time to reflect on the dismal arc of his split tenure in government service. Thanks to the banking debacle he did so much to initiate back in the Clinton years, the nation now has more people living in poverty, 43.6 million of them, than ever in our history. Americans have witnessed the disappearance of \$11 trillion of their net worth, \$1.5 trillion in the second quarter; the debt has risen alarmingly; unemployment is stuck at 9.6 percent; and trillions of dollars in toxic pools of housing stock are still held by the banks to be thrown into the housing market fire sale anytime home prices promise to edge upward. Behold what brilliance has wrought."

Financial journalist Michael M. Thomas believes that Summers like a gunslinger hired to clean up a town did what he was hired to do arguing, "**Summers is leaving because he made sure real reform was discussed—but not accomplished.**"

"Larry Summers was tasked with making sure the kind of backlash that in 1933 unleashed Ferdinand Pecora on Wall Street didn't happen in 2009. I think Larry Summers was tasked with marginalizing Paul Volcker, who could thus serve the new administration as moral window-dressing without actually causing trouble. I think it was understood from the outset that any meaningful economics program must involve taking Wall Street to the woodshed, and that this must not be allowed to happen."

Bob Woodward's book on Obama focuses on an internal war over policy for the Afghan war. That may be mild compared to the revelations to come on the debates over what to do about the economy. (Woodward offers one telling detail about Obama's approach describing how he laid out his plan in the form of a financial terms sheet used on Wall Street.)

To "balance" his appointment of Elizabeth Warren, the President has nominated Jack Lews to head the Office of Management and Budget. Bernie Sanders says he will not support him because "I found too many echoes of the failed policies of the past in his responses to my questions on trade policy, Social Security, deregulation of banks and other issues."

Even as the rats jump ship. The National Bureau of Economic Research which took a year to admit that the country was in recession now says the Recession is over, a conclusion that is not widely shared especially because the structural, systemic and political problems that caused the crisis have not been remedied. The respected Chilean Economist Manfred Max-Neef says the US economy is 'underdeveloping.' Others still fear a total collapse.

But now that recovery has been pronounced—even if there has been no job creation—the media has a good excuse to move off the subject, to assume the best, and avoid investigating how the crisis happened, who benefited and who lost and is still losing,

The issues I have been raising about the crimes of Wall Street have been brushed under the rug, even by filmmaker Oliver Stone from whom one might have expected a deeper critique in his new Wall Street Film, "Money Never Sleeps."

The Village Voice who you would expect would welcome it says Stone lets the "bad Guys off the hook?"

"If barely prosecuted, the real players in our last crash face a long pop-culture pillorying. That is not, however, how Stone works; regarding power, his conclusions are best summed up by the hippie chick at the [Lincoln Memorial](#) in Nixon: "You can't stop it, can you? Even if you wanted to. It's not you. It's the system." Floating off on a faux-naïve happy ending this time, one takes the lesson that there are no villains—or that villains are all there are."

So a generic indictment of "the system" substitutes for any exploration of the way that system actually worked, not just to make greed good but to hurt millions of people worldwide who lost jobs, homes and hope, plunging millions worldwide and here at home into deepening poverty.

I personally gave Stone a copy of my investigative film Plunder The Crime of our Time months ago, but he seems to have brushed it off focusing instead on a miasma of slick Hollywood production values. (Disclosure: I made a documentary, Beyond JFK for Oliver's company and he was in it, That was back in 1992.)

I have been getting some visibility for my DVD and companion book The Crime of our Time but not in mainstream media. Earlier this week, at a book launch, A Tea Party activist showed up for my spiel and took me to task loudly for being dismissive of her movement. But after we talked, I was pleased that she became open to my concerns and even, get this praised me as "fair and balanced." I was surprised. You can hear some of our exchanges and a storm of debate on Between The Lines radio that I was also broadcasting over during my talk. <http://archives.wpkn.org/bookmarks/listen/11642>

The Tea Party people, by and large, don't seem very angry with Wall Street.

And as for the Republicans, Huff Post reports, "The Republican Party's 21-page blueprint, "Pledge to America," was put together with oversight by a House staffer who, up till April 2010, served as a lobbyist for some of the nation's most powerful oil, pharmaceutical, and insurance companies, including AIG."

Short of a major deepening of the crisis in the next few weeks, the election will soon constitute all the news all the time.

While voters are said to be angriest about the economy and Obama's failures to stem the tide, the media will not devote much time or energy to educating the public about the deeper issues. Not when so many pundits and election insiders are fighting for face time on TV. Political blather and polls are back. Economic crime is downplayed.

Unfortunately, one of the most important stories of our time is about to be buried again.

News Dissector Danny Schechter made Plunder The Crime Or Our Time and wrote the companion book The Crime of our Time. See Plunderthecrimeofourtime.com. Comments to dissector@mediachannel.org

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For media inquiries: publications@globalresearch.ca