

Neoliberal Janet Yellen: Biden/Harris Regime's Choice for Treasury Secretary

By [Stephen Lendman](#)

Global Research, November 25, 2020

Region: [USA](#)
Theme: [Intelligence](#)

In response to her selection, the Dow topped 30,000 for the first time in market history.

The disconnect between equity prices and Main Street reality is stark.

Since valuations plunged last winter, they've gone hyperbolic to record or near-record highs.

It's happening during economic collapse with over one-fourth of working-age Americans left jobless.

According to Feeding America, one in six Americans are food insecure — unsure about how families will be fed.

At yearend, an evictions moratorium ends.

Without federal aid not forthcoming since benefits expired for millions of Americans at end of July, a tidal wave of evictions could follow.

Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) also expire at yearend — beneficiaries to be on their own if follow-up aid isn't provided.

What's going on exceeds the worst of earlier hard times in US history.

In 2013, the Obama/Biden regime appointed Yellen to succeed Ben Bernanke as Fed chairman.

Both figures followed the same playbook, handing Wall Street trillions of dollars of near-free money for speculation.

Noted investor Jeremy Grantham sharply criticized Fed policies earlier, saying:

"If I were a benevolent dictator," he'd limit the Fed solely to maintaining price stability.

He'd make sure the economy got enough liquidity to function normally.

He's "force (the Fed) to swear off manipulating asset prices through artificially low rates and asymmetric promises."

He'd eliminate "immoral hazard" made possible by the Greenspan/Bernanke/Yellen put — flooding the market with liquidity, along with maintaining near-zero short interest rates over most of the past decade.

Grantham once compared Fed policy to beating a donkey “until it either turns into a horse or drops dead from too much beating.”

“We’ve been conned” at the expense of lost industrialization and failure to “educat(e) a new generation,” he added.

“We’re in this death grip that only paper things matter.”

Speculators benefit. Ordinary people lose out.

Retirees are deprived of vital income. Financial interests are served at the expense of the real economy.

Money printing madness defines Fed policy. Bernanke and Yellen dropped helicopter money on Wall Street at the expense of Main Street.

David Stockman earlier called Bernanke/Yellin supplied quantitative easing (QE) “high grade monetary heroin...legalized bank robbery.”

Their tenure at the Fed reflects its most “shameful chapter in American financial history” — chairman Powell going the same way.

It’s been at the expense of economic growth and the public welfare.

According to a University of California study, 95% of wealth accumulation since 2009 accrued to the wealthiest 1% of Americans.

Accommodative Bernanke/Yellen/Powell Fed policy made it possible.

Yellen as Treasury secretary along with Powell will likely continue monetary madness QE and near-zero short interest rates into the new year and succeeding ones — at the expense of economic growth and jobs creation.

Wall Street on Parade.org quoted Yellen’s recent reinvention of reality about the out-of-control US stock market bubble.

Admitting prices are “elevated” at “the high end of historical ranges,” she added the following:

“(E)conomists are not great at knowing what appropriate valuations are (sic).”

“We don’t have a terrific record. And the fact that those valuations are high doesn’t mean that they’re necessarily overvalued (sic).”

“We’re enjoying solid economic growth (sic) with low inflation (sic), and the risks in the global economy look more balanced than they have in many years (sic).”

“(W)hen we look at other indicators of financial stability risks, there’s nothing flashing red there or possibly even orange (sic).”

“We have a much more resilient, stronger banking system (sic), and we’re not seeing worrisome buildup in leverage or credit growth at excessive levels (sic).”

The above deception comes at a time of economic collapse, mass unemployment, profound human deprivation and despair — with things likely to worsen in the new year, not improve for ordinary Americans.

Wall Street on Parade (WSP) commented in response to Yellen's remarks.

Citing the US Office of the Comptroller of the Currency's most recent quarterly report through June 30, WSP said the following:

“(T)he dystopian bank situation looked like this:”

“JPMorgan Chase had increased its derivatives exposure to \$52.6 trillion notional.”

“Goldman Sachs had moved into second place with \$43.3 trillion.”

“Citigroup stood at \$41.1 trillion, and Bank of America hadn't budged much at \$18.5 trillion.”

“This massive, concentrated exposure to derivatives at four mega Wall Street banks has been allowed to persist by both (Dem) and (GOP)-led (regimes) despite the fact that derivatives played a central role in blowing up the US economy in 2008.”

“Until Congress gets serious about restoring the Glass-Steagall Act, which would separate federally-insured, deposit-taking banks from the trading casinos on Wall Street, the financial system of the United States remains at grave risk, regardless of who sits at the helm of the regulators.”

The real world described by WSP that Yellen ignored in her above-quoted remarks is what she'll face as Treasury secretary — not the fantasy one she pretends exists.

Based on her accommodative Fed record, currently followed by chairman Powell, bubble US equity markets are likely to inflate further on their watch.

Only hindsight will tell to what levels before they crash with a bang heard round-the-world.

Based on his firm's research, Grantham explained that all markets eventually revert to their mean level.

They've been no exceptions to the rule in market history.

The greater they inflate to unsustainable levels, the harder they're likely to plunge when their day of reckoning arrives.

*

Note to readers: please click the share buttons below. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.

Award-winning author Stephen Lendman lives in Chicago. He can be reached at lendmanstephen@sbcglobal.net. He is a Research Associate of the Centre for Research on Globalization (CRG)

His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for

Hegemony Risks WW III."

<http://www.claritypress.com/LendmanIII.html>

Visit his blog site at sjlendman.blogspot.com.

Featured image is from Public Domain

The original source of this article is Global Research
Copyright © [Stephen Lendman](#), Global Research, 2020

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Stephen Lendman](#)

About the author:

Stephen Lendman lives in Chicago. He can be reached at lendmanstephen@sbcglobal.net. His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III."

<http://www.claritypress.com/LendmanIII.html> Visit his blog site at sjlendman.blogspot.com. Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca