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US Spending Bill Bonanza for Wall Street

By Stephen Lendman
Global Research, December 15, 2014

Region: USA
Theme: Global Economy

Kleptocracy defines America. Corrupt politicians and corporate crooks conspire. Against ordinary people. Covertly and overtly.

Violating the letter and spirit of good governance. Looting the nation's wealth. Handing it to monied interests. Wall Street tops the pecking order.

Whatever bankers want they get. In unlimited amounts. Running Fed policy assures limitless cash on demand.

Controlling Washington, state capitals and municipal governments assures everything else.

On Thursday, House members passed a $1.1 trillion+ spending bill. On Saturday, senators followed suit.

Expect Obama to sign it into law straightaway. With little fanfare. Perhaps already. Monied interests own him

Enactment rolls back Dodd-Frank's Section 716: Prohibition Against Federal Government Bailouts of Swaps Entities.

Leaving taxpayers on the hook for hundreds of trillions of dollars of risky derivatives. Especially under G20 bail-in rules. Letting bankers loot depositor accounts.

Few Americans understand. Finance is a new form of warfare. More powerful than standing armies.

Banking giants run things. Money power has final say. Bank accounts aren't safe. Depositor theft is coming.

Called "bail-ins." Code language for grand theft. Instead of breaking up, nationalizing, or closing down failed banks, confiscated depositor funds intends keeping them operating.

Enormous amounts are at stake. Low-hanging fruit. There for the taking. A treasure trove to be looted.

Depositor haircuts are the new normal. Banks legally own your funds. In return for IOUs or promises to pay.

Banks once repaid depositors on demand. A joint December 10, 2012 FDIC-Bank of England (BOE) paper changed things.

Plans to loot customer accounts were made earlier. The Bank for International Settlements originated them. T he privately owned central bank for central bankers. Major ones have final say.

Looting depositor accounts is official policy. Cyprus wasn't a one-off. FDIC insurance doesn't matter. Funds in too-big-to-fail banks and others important to save are up for grabs.

It's their money for the taking. In return for IOUs in bank stock. Ready cash on demand is gone. Take the money and run replaced it.

When the mother of all speculative derivatives bubble bursts, shock waves will rock global economies.

Expect depositors to be hung out to dry. The new normal. Your money is theirs on demand. Ordinary people have no say.

US mega-banks are criminal enterprises. Hugely larger than in 2008. Five account for over 40% of US loans. Six control around two-thirds of banking assets.

Making money the old-fashioned way is official policy. Aided and abetted by corrupt politicians.

For campaign contributions and other special benefits derived. At the expense of ordinary Americans. Systematically cheated.

Hung out to dry. The worst yet to come. With less help when most needed.

Deposits no longer are money. Banks own them. Available for bail-ins on demand. Leaving depositors with no say over their checking, savings or money market accounts.

Six years after Wall Street's 2008 coup, Citigroup wrote legislation now law. With Obama's signature.

Six mega-banks control Washington: JP Morgan Chase, Bank of America, Goldman Sachs, Citigroup, Wells Fargo, Bank of New York Mellon.

Wall Street's viability matters most. Bailouts or bail-ins are official US policy. Dodd-Frank's Section 716 included a so-called swaps push-out rule.

Requiring speculative derivatives trading in separate affiliates. Not FDIC-insured banks. Using separate capital.

So taxpayers wouldn't be on the hook for swaps deals gone bad. According to economist Simon Johnson:

Section 716 was "a commonsense provision to protect taxpayers from future derivatives deals gone away. (It took) the state out of subsidizing some of these particularly high risk derivatives."

It's gone. Americans for Financial Reform policy director Marcus Stanley saying congressional legislation "restores the public subsidy to exotic Wall Street activities."

Public Citizen said "Wall Street holds government hostage." Operating ad libitum. Without constraints. Under rules it writes. Continuing business as usual.

Demos calls itself a “public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy.”

In response to eliminating Section 716, its senior fellow Wallace Turbeville said the following:

“(B)ack room (politics) open(ed) the door to another taxpayer bank bailout…(S)lipped into the critical spending bill.”

Bank lobbyists wrote the provision. “(I)nsert(ing) repeal of an important (protection) of the landmark Dodd-Frank Act that (safeguards) us all from predatory financial firms and the prospects for another bail out caused by the casino banking that is the derivatives markets.”

“This is a shameful attempt to avoid a proper discussion of the ‘swaps push-out’ provision that requires banks to transact derivatives in a separate subsidiary to insulate their balance sheets and depositor funds that are insured by the American people.”

Turbeville urged efforts to stop this outrage. Too late with Obama’s signature. Maybe already. Approving a bad policy grab bag.

Authorizing $64 billion for Afghanistan, Iraq, Syria and other military campaigns. Lets corporate America cut pension plan benefits. For current and future retirees.

Loosened campaign donation limits. Permitting multiples more than before. To political parties.

Wealthy donors earlier could contribute up to $194,000 per election cycle. Now raised to almost $1.6 million.

Reduced IRS funding. Less for EPA. Maintained Bush-era mountaintop mining rules. Permitting toxic coal waste dumping. In Appalachian streams.

Prevents the Fish and Wildlife Service from protecting the greater sage grouse and three related birds. By adding them to the endangered species list.

Rolled back safety rules. Intended to keep truckers from causing wrecks. By reducing their maximum workweek from 82 to 70 hours. Industry lobbyists fought back successfully for longer hours.

Prohibited EPA authorities from regulating lead in ammunition and fishing tackle. Blamed for poisoning birds.

Authorized $500 million for ISIS/ISIL/the Islamic State (IS). To arm, train and direct them. As US proxy forces. Boots on the ground against Syria.

New York Times editors called FY 2015 spending bill provisions “some of the most devious and damaging…imaginable for good government.”

“Written in secrecy, presented as the take-it-or-leave-it alternative to a government shutdown.”

With "special industry giveaways, large and small, one after the other." Typical congressional legislation.

In 2002, Congress created the Terrorism Risk Insurance Act (TRIA). A temporary post-9/11 measure.

Leaving taxpayers on the hook for amounts exceeding $100 million. In cases where businesses incurred losses from terrorist attacks.

Last Wednesday, House member extended TRIA through 2020. Expect Senate members to follow suit.

The measure gives Wall Street a "rider" gift. Eliminating margin requirements. Freeing more capital for speculative trading.

Washington is Wall Street occupied territory. Casino capitalism institutionalized. The coin of the realm.

Big money runs things. Politicians their obedient servants. Ordinary people ignored entirely.

On their own. Out of luck. Sink or swim. It's the longstanding American way. More than ever now.

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