American hydra: the many heads of corporatism

"There are two things that are important in politics. The first is money and I can't remember what the second one is." —Mark Hanna William McKinley's 1896 presidential campaign manager and later senator from Ohio, in 1895[1]

The Gilded Age in America is famous and infamous, famous for the fabulous mansions like the Breakers[2] that became common amongst the wealthy; infamous for the squalid living conditions in overcrowded tenements[3] for the people who worked to build those mansions. The Industrial Revolution was producing new items for American consumption at a rate never seen in world history. Inventions and innovations[4] were changing the lives of American almost yearly as electricity, automobiles and the telephone started to revolutionize our way of living. Ford's assembly line, the department store, the typewriter, the telegraph and telephone along with the modernization of the railroads all made goods cheaper and more available to the masses. However, behind the "Gilded Curtain" laid the ominous tentacles of the Robber Barons[5] who controlled large segments of the American economy, forms of communication, transportation and production. These captains of industry, for whom the Gilded Age was christened, lived in opulence beyond imagining but to many, the accumulation of wealth was just a stepping stone to the accumulation of power. Men like Andrew Carnegie, John D. Rockefeller and J. P. Morgan exercised enormous power over the US government because of their wealth and the companies they owned.[6]

In the guise of reigning in the Robber Barons, the first government agency was created to stop the unfair practices of the railroad companies. The Interstate Commerce Commission[7] was created in 1887 and was tasked with regulating railroads and preventing rate discrimination. Even though the ICC was very limited on what they could do, it was the first use of Government power to control private business. Beginning with the Hepburn Act (1906)[8], the ICC's jurisdiction was gradually extended beyond railroads to all common carriers except airplanes by 1940. Its enforcement powers to set rates were also progressively extended, through statute and broadened Supreme Court interpretations of the commerce clause of the Constitution, as were its investigative powers for determining fair rates of return on which to base rates.

The Progressive Era brought about great changes in the US government as the euphoria of big government replaced the limited government created by our Founding Fathers. One such bill was the Biological Control Act of 1902[9] which did for food and medicines what the Interstate Commerce Act had done to transportation. It was passed to control the purity and safety of serums, vaccines, and similar products used to prevent or treat diseases in humans. This Act was strengthened by the Food and Drug Act and the Meat Inspection Act passed in 1906 which culminated with the Federal Food and Cosmetic Act in 1938.

While the groundwork was being laid for a bureaucratic state, it took the heavily contested 1896 US Presidential election[10] to show just how much influence the Robber Barons could have on a national election. The election, which pitted Progressive Democrat William Jennings Bryan who was supported by the rural/farming areas against the Progressive Republican William McKinley who was backed by Wall Street. Though the actual votes were not far apart, the Republican McKinley won decisively. Fear of Bryan and his Populist movement gave McKinley's campaign manager, Mark Hanna the clout he needed to create a "quota system" which extracted contributions from businesses based on two things, the risk the companies faced of being nationalized should Bryan[11] come to power. As well as the patronage the companies expected from the McKinley administration once he was elected. McKinley received between

$6-7million in contributions from companies, an astronomical amount of money for the time.[12] Warmonger McKinley had slightly opened the door for big business to access the government in a big way; over the next few decades that door would be kicked wide open as the Old Republic died to be replaced by first an oligarchy that morphed into a corporatist state.

So, with the scheme in place and the mechanism ready, the US has been slowly moving into corporatism for decades. The pace accelerated rapidly with the advent of Johnson's War on Poverty and the Vietnam War and is now at the point where there is open collusion between government and big business in every area of our life.[13] From banking, food production, media outlets and transportation industries, the revolving door between business and government is undeniable and yet only whispered about in the main stream media. There is simply no way to even scratch the surface of this incestuous relationship in one or two articles so my intent is to cover one each article starting with the one that affects each of our bottom lines; banking, trade and wall street.

"Let me issue and control a nation's money and I care not who writes the laws." –Mayer Amschel Rothschild[40]

The 1893 and 1907 downturns in the economy were used as an excuse for the first major American venture into corporatism since Andrew Jackson had smashed the 2nd Bank of the US in 1836.[14] In a secret meeting on Jekyll Island, GA, in 1910, Senator Nelson Aldrich, Senate Republican whip; Abraham Andrew, Assistant Secretary of the Treasury; Frank Vanderlip, President of the National City Bank and representative of John D. Rockefeller; Henry Davison, senior partner of the J. P. Morgan Company; Charles Norton, President of the First National Bank of New York; Benjamin Strong, head of J. P. Morgan's Banker's Trust Company; and finally Paul Warburg, partner in Kuhn, Loeb & Company and representative of the Rothschild banking dynasty in England and France met to discuss a new central bank for the US.[15] This secret meeting was the germ from which the Federal Reserve was spawned. It was nothing less than a coupe by the elite bankers, taking control over the US money supply since the Federal Reserve is not federal at all, it is a collection of 12 privately held banks, nor is it a reserve since they literally create money out of thin air.[16]

The original mandate of the Federal Reserve was to maintain the value of the dollar while keeping the economy healthy and stable. In both cases the Fed has failed miserably as the value of the dollar has plummeted 95% since 1913[17] while there have been major recessions and the "Great Depression" along with the "Great Recession" under the guidance of the Fed. Of course when the real reason for creating the Fed was not to preserve the dollar or maintain a solid economy. But rather a way to pay for the ever increasing federal government,[18] funnel the wealth of the United States into the hands of a few well connected people, and ultimately as the way to control the population. In these tasks, the Fed has been masterful.

While the mainstream media has been busy distracting the American population[19] for decades away from the massive theft of their wealth through fractional banking and the Fed, it is becoming increasingly difficult to keep the scale of the corruption under wraps anymore as the endgame of a cashless society is quickly approaching.

On 05/27/2016, Rootstrikers released a series of emails obtained by the group through a Freedom of Information Act[20] request that showed massive collusion between U.S. Trade Representative Michael Froman and Wall Street executives Faryar Shirzad, Matt Niemeyer (both Goldman Sachs) and Tom Nides (Morgan Stanley) among others to strategize over the "Investor-State Dispute Settlement" (ISDS) provision contained in the TPP "trade" agreement. ISDS, would, in the words of one critic, Public Citizen's Lori Wallach, "elevate individual investors to the status of a nation-state" in trade disputes. Not content with emails only, Froman assigned an aid to "pick the director's brain" on the equally vile Transatlantic Trade and Investment Partnership (TTIP).

The emails show in dramatic fashion that the US trade policy is being set by a collaborative team of corporate and government leaders who periodically swap positions for their mutual benefit. "They're written as if they are being sent between colleagues," says Dennis Kelleher of the watchdog group Better Markets. "That's because the writers all have been, currently are or will be colleagues at major Wall Street firms."[21] They should be a bombshell but just like Hillary's "Servergate" problem, the main stream media is almost silent on it.

Froman has also actively recruited Wall Street bankers while deliberately not enforcing the trade violations laws. Froman was also still employed by Citibank when President Obama had him select his "economic" team.

Little mention has been made about how instrumental Froman was in the repeal of the Glass-Steagall Act which separated investment and commercial banking sectors in 1999. Fewer still mention that he was paid over $4million when he left Citigroup to rejoin government employment as a US Trade Representative.[22]

Froman however, is a very small speck in the cesspool of US Government – Wall Street Bankster connection. Former US Attorney General Eric Holder, while working as deputy attorney general, wrote in 1999, what has become the defacto guide to how the government handled the reckless and illegal activities by bankers leading up to the 2008 financial crisis.[23] In the so-called Holder Doctrine, he warned of the dangers of prosecuting big banks—the precursor of the infamous "too big to fail" motto Obama has embraced. Holder's memo asserted that "collateral consequences" from prosecutions—including corporate instability or collapse—should be taken into account when deciding whether to prosecute a big financial institution. Since leaving the office of Attorney General, Holder has reportedly returned to his old office at Covington & Burling, a huge law firm that represents most of the large US banks including Bank of America, Citigroup, and Wells Fargo.[24]

It was easy to see that Holder embraced his "Holder Doctrine" because not one banker was thrown in prison in what is one of the biggest thefts of all time that lead to the loss of trillions of dollars by millions of people. According to investment bank Keefe, Bruyette & Woods, since 2009, some 49 financial institutions have paid various government entities and private plaintiffs nearly $190 billion in fines and settlements.[25] To most people, that is a huge amount of money, but considering those banks made trillions off of their illegal behaviors, it is simply a small cost of doing business today. Just weeks after Jamie Dimon, the CEO of JPMorgan Chase, settled out of court with the Justice Department, the bank's board of directors gave him a 74 percent raise, bringing his salary to $20 million.

The list of Wall Street insiders who have become public "servants"[26] is incredibly long but here are a few names: Chairman, Securities and Exchange Commission, Mary Jo White represented the biggest names on Wall Street including Morgan Stanley and Ken Lewis, the former head of Bank of America[27]; Treasury Secretary Jack Lew, Lew[28] was a senior official at Citibank; Vice Chair, Federal Reserve Stanley Fischer, was also a top official for Citigroup; Former chairman, Commodity Futures Trading Commission Gary Gensler spent nearly two decades working for Goldman Sachs before becoming a "public servant;"[29] White House Budget Director Peter Orszag[30] was Vice President of Citi's Investment Bank; President and CEO of the New York Federal Reserve William Dudley[31] was Chief Economist, managing director and partner of Goldman Sachs;

Chief of Staff in Obama's Treasury Department, Mark Patterson[32] was a lobbyist for Goldman Sachs; and the poster child of Wall Street corruption and insider protection by the US Government, Timothy Geithner.[33] As the Treasury Secretary, he was the frontline regulator over wall street and specifically JPMorgan[34] whose near collapse due to illegal and unethical financial dealings drove the global financial industry into bankruptcy. Geithner made sure his pals at Wall Street not only were not prosecuted, but that they also did not lose their sizable bonuses after the bank bailouts.[35] Geithner is now set to make millions from his upcoming memoir and joining private equity firm, Warburg Pincus.[36] Nothing to see here folks, move along…

Well, almost nothing anyway, except for the secret meeting held in March of 2016 where representatives of the largest financial institutions in the United States came together for a demonstration of a new, completely digital dollar created by a company named "the Chain" and bankrolled by Capital One, State Street and First Data. This digital dollar is unique in that it is not a debit on the bank books but a preloaded asset in your account that can be swapped immediately for an asset.[37]

This is a most fortuitous invention as most governments are moving to eliminate cash transactions to help "stop crime." By going cashless, all money must be put into a bank, no more salting it away in a mattress. This will allow banks to gamble with impunity using their depositors' money. If the bank makes a bad bet and become insolvent, they can legally confiscate the deposits to balance their books, through an "orderly resolution" scheme of the sort mandated in the Dodd-Frank Act, i.e., a bail in.

This also traps people into paying interest to the banks on their savings with no ability to leave the system. A JP Morgan representative with the European Central Bank thinks negative interest could go as low as -4.5%, so it will really sting to keep any significant amount of money in the bank which is precisely what the banksters and governments want. They contend that the world is suffering from "Secular stagnation," which means there is not enough money chasing goods and services.

A cashless society will also be a captive society when the banking system implodes. William White, former chief economist of the Bank of International Settlements (BIS) warned attendees at a banking conference in Davos Switzerland:

"The situation is worse than it was in 2007. Our macroeconomic ammunition to fight downturns is essentially all used up."

"European banks have already admitted to $1 trillion of non-performing loans: they are heavily exposed to emerging markets and are almost certainly rolling over further bad debts that have never been disclosed."

"The European banking system may have to be recapitalized on a scale yet unimagined, and new "bail-in" rules mean that any deposit holder above the guarantee of €100,000 will have to help pay for it."[38]

So, as can be easily seen, the endgame is a cashless society in which the masses will continue to be sucked dry by the private banking sector under direct threat from the government. Perhaps this is why there is such a mad rush to create a total "police" state, so they can control the masses of people who just lost everything.

"The real purpose of a cashless society will be total control: Absolute Total Control." –Mike Konrad

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