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# Corporate Predators Caught in Meltdown

By Gil Villagrán, MSW

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The meltdown of Wall Street's so-called 'investment institutions' where the financial bubble of over-valued assets finally burst is so mind boggling that even economic gurus with PhDs and Nobel Prizes, and CEO billionaires testifying before Congress fail to fully explain what happened. Did the "invisible hand" of the "free market" finally deal America a losing set of cards after years of a winning streak? Is it all due to bad luck? Fate? An unfortunate financial version of a perfect storm, similar to Hurricane Katrina hitting the Gulf Coast?

The easy question first: hurricanes are annual natural occurrences that only the ignorant think are due to bad luck or a 'perfect storm.' Anyone and especially governments in hurricane prone areas must regulate construction and plan for this periodic contingency-otherwise, people will die.

Similarly, the masters of Wall Street who trade what is simplistically called "financial instruments" worth billions on stock exchanges created the storm, which their bubble finally burst. How could this happen? Who was managing our nation's banking system?

The honest answer is: no one! At one time nations created national banks, later replaced with regulations with actual regulators, to ensure honest transactions. But the ideology of free market capitalism: that an unregulated market without government "interference" will surely provide the greatest wealth for the greatest number, became the true American financial religion. Yes, a religion complete with an invisible god called the "invisible hand" and a golden rule: "the best government is the least government."

This absurd belief, that honest traders inform investors of all risks of intentionally complicated invisible transactions promising high yields, will always benefit everyone from an ever-expanding market, is surely and now evidently ignorant folly. Rather than honest traders on Wall Street and banks, a massive class of financial predators insidiously 'worked the tables' as in casinos, or the 'big board' as in stock exchanges, first for their own benefit with high commissions on every trade, secondarily for their super wealthy institutional

investors, and last to be paid, if anything is left, to the working class masses who's modest goals are simply to buy one home in their lifetime, send their kids to college, and save for a comfortable retirement with contributions into their 401(K) placed in trust to an honest financial planner.

But a **Gang of Predators (GOP)**, trained in business schools, has fully taken over our nation's financial system--buying Congress and Presidents alike with campaign contributions, gulf stream corporate jet golf junkets to luxury hotels with free and plentiful liquor and prostitutes, no charge shopping sprees, and time for serious deal-making of cash for favors: multimillion dollar subsidies, de-regulation, no-bid contracts, other sweetheart deals.

**The GOP** was so successful that most regulation was either eliminated or made ineffective by reducing oversight. The takeover by the **GOP** took off in the Reagan presidency, when the first Savings and Loan scandal occurred, involving Bush brother, Neil, who as a director of Silverado Savings approved loans to himself and his cronies, causing total default. At the same time, Lincoln Savings, corruptly run by Charles Keating, also defaulted, implicating the "Keating Five" congressmen, including John McCain. This meltdown cost taxpayers a 'mere' \$30 billion.

Author William Black expressed the predators' successful strategy with the title of his book: The Best Way to Rob a Bank is to Own One. A generation later, what has Congress learned? Nothing!

Unless the Gang of Predators and their Oval Office and Congressional partners in crime go to jail, new predators will fill the corporate penthouse offices of Wall Street eager for their billion dollar payouts.

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