

The Quintessential Asshole Industry

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And according to Cornell Law Professor Saule Omarova, whose appointment to be the new head of the Office of the Controller of the Currency is now before the Senate, prime candidates for the honorific may be found in the following: *“The financial services industry, in my view, and I don’t think I’m alone here, is a quintessential asshole industry. But when you think about the pervasiveness of systematically type asshole behavior in a particular social venue, for example, financial services industry, then the problem of managing assholes becomes a structural problem in which law can potentially have a lot of say. So if we make certain types of asshole behavior systemically unprofitable, for example, irrational, something that is not rewarding, then that behavior will naturally kind of fall away. And, overall, the system will become less prone to being overtaken by a bunch of assholes that continue to pursue their own private goals, their own insatiable appetites for private gain at the expense of the rest of us, the rest of the society.” [From an interview in the Canadian documentary 'Assholes: A Theory.']*

It seems that the Justice Department would have agreed with Omarova when in 2019 it decided to pump the sump by invoking the 'anti-gang' RICO act to indict three JP Morgan Chase precious metal dealers for racketeering. Actor John Cleese was more specific in the same documentary: *“I would describe a hedge fund as an asshole factory. They’re just churning them out in large numbers because once you’ve got a horrible group of people together then all they want to do is choose other horrible people to join them.”*

Then, again, Omarova herself may deserve a select disparagement, like for proposals in an academic paper that included moving all funds in commercial bank saving accounts to one account held by the Fed. Then in severe crises the Fed may commandeer them for emergency purposes – there is also her proposal to abolish the FDIC.

Other News

Banks are beginning to raise interest rates because of an inflationary scare. Norway's Norges Banks became the first of the G10 central banks to raise its rate in September. Also, central banks in S. Korea, Brazil, Poland, the Czech Republic. The UK and Canada signaled a rise is coming before long.

It's one thing to raise rates because of a hot growing economy, but if if economies are really weak and inflation is due to other causes, like pandemic caused shortages, then there is the risk of making a weak economy worse. Since the only signs of 'health' in sick economies can come from low interest borrowing for stock buybacks and dividend payments, and the like, increasing rates can kill the desperately needed veneer of economic health. In the past decade \$12 trillion have been distributed to shareholders by US banks in the form stock buybacks and dividends. Under Obama combined distribution rose from \$700 billion to \$1 trillion. Under Trump is \$1.2 trillion a year. The projected rise under Biden is \$1.5 trillion. They are so afraid of inflation but at least it's a symptom of something that might be positive. There is nothing good about deflation for the ruling class, although low income folks can enjoy some bargains, and there are few tools that the financial sector can use to reflate an economy.

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