Wall Street, Banks and Angry Citizens

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Inequality Worsens Around the Planet

By Nomi Prins
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As we head into 2019, a major question remains about the state of Main Street, not just in the U.S. but across the planet. If the global economy really is booming, as many politicians claim, why are leaders and their parties around the world continuing to get booted out of office in such a sweeping fashion?

One obvious answer: the post-Great Recession economic "recovery" was largely reserved for the few who could participate in the rising financial markets of those years, not the majority who continued to work longer hours, sometimes at multiple jobs, to stay afloat. In other words, the good times have left out so many people, like those struggling to keep even a few hundred dollars in their bank accounts to cover an emergency or the 80 percent of U.S. workers who live paycheck to paycheck.

In today’s global economy, financial security is increasingly the property of the 1 percent. No surprise, then, that, as a sense of economic instability continued to grow over the past decade, angst turned to anger, a transition that—from the U.S. to the Philippines, Hungary to Brazil, Poland to Mexico—has provoked a plethora of voter upheavals. In the process, a 1930s-style brew of rising nationalism and blaming the “other” — whether that other was an immigrant, a religious group, a country, or the rest of the world—emerged.

This phenomenon offered a series of Trumpian figures, including of course The Donald himself, an opening to ride a wave of “populism” to the heights of the political system. That the backgrounds and records of none of them—whether you’re talking about Donald Trump, Viktor Orbán, Rodrigo Duterte, or Jair Bolsonaro (among others)—reflected the daily concerns of the “common people,” as the classic definition of populism might have it, hardly mattered. Even a billionaire could, it turned out, exploit economic insecurity effectively and use it to rise to ultimate power.

Ironically, as that American master at evoking the fears of apprentices everywhere showed, to assume the highest office in the land was only to begin a process of creating yet more fear and insecurity. Trump’s trade wars, for instance, have typically infused the world with increased anxiety and distrust toward the U.S., even as they thwarted the ability of domestic business leaders and ordinary people to plan for the future. Meanwhile, just under the surface of the reputed good times, the damage to that future only intensified. In other words, the groundwork has already been laid for what could be a frightening transformation, both domestically and globally.

That Old Financial Crisis

To understand how we got here, let's take a step back. Only a decade ago, the world experienced a genuine global financial crisis, a meltdown of the first order. Economic growth ended; shrinking economies threatened to collapse; countless jobs were cut; homes were foreclosed upon and lives wrecked. For regular people, access to credit suddenly disappeared. No wonder fears rose. No wonder for so many a brighter tomorrow ceased to exist.

The details of just why the Great Recession happened have since been glossed over by time and partisan spin. This September, when the 10th anniversary of the collapse of the global financial services firm Lehman Brothers came around, major business news channels considered whether the world might be at risk of another such crisis. However, coverage of such fears, like so many other topics, was quickly tossed aside in favor of paying yet more attention to Donald Trump's latest tweets, complaints, insults, and lies. Why? Because such a crisis was so 2008 in a year in which, it was claimed, we were enjoying a first class economic high and edging toward the longest bull-market in Wall Street history. When it came to "boom versus gloom," boom won hands down.

None of that changed one thing, though: most people still feel left behind both in the U.S. and globally. Thanks to the massive accumulation of wealth by a 1 percent skilled at gaming the system, the roots of a crisis that didn't end with the end of the Great Recession have spread across the planet, while the dividing line between the "have-nots" and the "have-a-lots" only sharpened and widened.

Though the media hasn't been paying much attention to the resulting inequality, the statistics (when you see them) on that ever-widening wealth gap are mind-boggling. According to Inequality.org, for instance, those with at least $30 million in wealth globally had the fastest growth rate of any group between 2016 and 2017. The size of that club rose by more than 25 percent during those years, to 174,800 members. Or if you really want to grasp what's been happening, consider that, between 2009 and 2017, the number of billionaires whose combined wealth was greater than that of the world's poorest 50 percent fell from 380 to just eight. And by the way, despite claims by the president that every other country is screwing America, the U.S. leads the pack when it comes to the growth of inequality. As Inequality.org notes, it has "much greater shares of national wealth and income going to the richest 1 percent than any other country."

That, in part, is due to an institution many in the U.S. normally pay little attention to: the U.S. central bank, the Federal Reserve. It helped spark that increase in wealth disparity domestically and globally by adopting a post-crisis monetary policy in which electronically fabricated money (via a program called quantitative easing) was offered to banks and corporations at significantly cheaper rates than to ordinary Americans.

Pumped into financial markets, that money sent stock prices soaring, which naturally ballooned the wealth of the small percentage of the population that actually owned stocks. According to economist Stephen Roach, considering the Fed's Survey of Consumer Finances, "It is hardly a stretch to conclude that [quantitative easing] exacerbated America's already severe income disparities."

Wall Street, Central Banks, and Everyday People

What has since taken place around the world seems right out of the 1930s. At that time, as the world was emerging from the Great Depression, a sense of broad economic security was slow to return. Instead, fascism and other forms of nationalism gained steam as people turned on the usual cast of politicians, on other countries, and on each other. (If that sounds faintly Trumpian to you, it should.)

In our post-2008 era, people have witnessed trillions of dollars flowing into bank bailouts and other financial subsidies, not just from governments but from the world's major central banks. Theoretically, private banks, as a result, would have more money and pay less interest to get it. They would then lend that money to Main Street. Businesses, big and small, would tap into those funds and, in turn, produce real economic growth through expansion, hiring sprees, and wage increases. People would then have more dollars in their pockets and, feeling more financially secure, would spend that money driving the economy to new heights—and all, of course, would then be well.

That fairy tale was pitched around the globe. In fact, cheap money also pushed debt to epic levels, while the share prices of banks rose, as did those of all sorts of other firms, to record-shattering heights.

Even in the U.S., however, where a magnificent recovery was supposed to have been in place for years, actual economic growth simply didn't materialize at the levels promised. At 2 percent per year, the average growth of the American gross domestic product over the past decade, for instance, has been half the average of 4 percent before the 2008 crisis. Similar numbers were repeated throughout the developed world and most emerging markets. In the meantime, total global debt hit $247 trillion in the first quarter of 2018. As the Institute of International Finance found, countries were, on average, borrowing about three dollars for every dollar of goods or services created.

Global Consequences

What the Fed (along with central banks from Europe to Japan) ignited, in fact, was a disproportionate rise in the stock and bond markets with the money they created. That capital sought higher and faster returns than could be achieved in crucial infrastructure or social strengthening projects like building roads, high-speed railways, hospitals, or schools.

What followed was anything but fair. As former Federal Reserve Chair Janet Yellen noted four years ago, "It is no secret that the past few decades of widening inequality can be summed up as significant income and wealth gains for those at the very top and stagnant living standards for the majority." And, of course, continuing to pour money into the highest levels of the private banking system was anything but a formula for walking that back.

Instead, as more citizens fell behind, a sense of disenfranchisement and bitterness with existing governments only grew. In the U.S., that meant Donald Trump. In the United Kingdom, similar discontent was reflected in the June 2016 Brexit vote to leave the European Union, which those who felt economically squeezed to death clearly meant as a slap at both the establishment domestically and EU leaders abroad.

Since then, multiple governments in the European Union, too, have shifted toward the populist right. In Germany, recent elections swung both right and left just six years after, in July 2012, European Central Bank head Mario Draghi exuded optimism over the ability of such banks to protect the financial system, the Euro, and generally hold things together.

Like the Fed in the U.S., the ECB went on to manufacture money, adding another $3 trillion to its books that would be deployed to buy bonds from favored countries and companies. That artificial stimulus, too, only increased inequality within and between countries in Europe. Meanwhile, Brexit negotiations remain ruinously divisive, threatening to rip Great Britain apart.

Nor was such a story the captive of the North Atlantic. In Brazil, where left-wing president Dilma Rouseff was ousted from power in 2016, her successor Michel Temer oversaw plummeting economic growth and escalating unemployment. That, in turn, led to the election of that country’s own Donald Trump, nationalistic far-right candidate Jair Bolsonaro who won a striking 55.2 percent of the vote against a backdrop of popular discontent. In true Trumpian style, he is disposed against both the very idea of climate change and multilateral trade agreements.

In Mexico, dissatisfied voters similarly rejected the political known, but by swinging left for the first time in 70 years. New president Andrés Manuel López Obrador, popularly known by his initials AMLO, promised to put the needs of ordinary Mexicans first. However, he has the U.S.—and the whims of Donald Trump and his "great wall" —to contend with, which could hamper those efforts.

As AMLO took office on Dec. 1, the G20 summit of world leaders was unfolding in Argentina. There, amid a glittering backdrop of power and influence, the trade war between the U.S. and the world's rising superpower, China, came even more clearly into focus. While its president, Xi Jinping, having fully consolidated power amid a wave of Chinese nationalism, could become his country's longest serving leader, he faces an international landscape that would have amazed and befuddled Mao Zedong.

Though Trump declared his meeting with Xi a success because the two sides agreed on a 90-day tariff truce, his prompt appointment of an anti-Chinese hardliner, Robert Lighthizer, to head negotiations, a tweet in which he referred to himself in superhero fashion as a "Tariff Man," and news that the U.S. had requested that Canada arrest and extradite an executive of a key Chinese tech company, caused the Dow to take its fourth largest plunge in history and then fluctuate wildly as economic fears of a future "Great Something" rose. More uncertainty and distrust were the true product of that meeting.

In fact, we are now in a world whose key leaders, especially the president of the United States, remain willfully oblivious to its long-term problems, putting policies like deregulation, fake nationalist solutions, and profits for the already grotesquely wealthy ahead of the future lives of the mass of citizens. Consider the yellow-vest protests that have broken out in France, where protestors identifying with left and right political parties are calling for the resignation of neoliberal French President Emmanuel Macron. Many of them, from financially starved provincial towns, are angry that their purchasing power has dropped so low they can barely make ends meet.

Ultimately, what transcends geography and geopolitics is an underlying level of economic discontent sparked by twenty-first-century economics and a resulting Grand Canyon-sized global inequality gap that is still widening. Whether the protests go left or right, what continues to lie at the heart of the matter is the way failed policies and stop-gap measures put in place around the world are no longer working, not when it comes to the non-1 percent anyway. People from Washington to Paris, London to Beijing, increasingly grasp that their economic circumstances are not getting better and are not likely to in any presently imaginable future, given those now in power.

A Dangerous Recipe

The financial crisis of 2008 initially fostered a policy of bailing out banks with cheap money that went not into Main Street economies but into markets enriching the few. As a result, large numbers of people increasingly felt that they were being left behind and so turned against their leaders and sometimes each other as well.

This situation was then exploited by a set of self-appointed politicians of the people, including a billionaire TV personality who capitalized on an increasingly widespread fear of a future at risk. Their promises of economic prosperity were wrapped in populist platitudes, normally (but not always) of a right-wing sort. Lost in this shift away from previously dominant political parties and the systems that went with them was a true form of populism, which would genuinely put the needs of the majority of people over the elite few, build real things including infrastructure, foster organic wealth distribution, and stabilize economies above financial markets.

In the meantime, what we have is, of course, a recipe for an increasingly unstable and vicious world.

Nomi Prins is a TomDispatch regular. Her latest book is "Collusion: How Central Bankers Rigged the World" (Nation Books). Of her six other books, the most recent is "All the Presidents' Bankers: The Hidden Alliances That Drive American Power." She is a former Wall Street executive. Special thanks go to researcher Craig Wilson for his superb work on this piece.

Will Obama Pick a Retread for Fed?

The choice of the next Fed chairman will have a big impact on the U.S. and world economies. But President Obama appears tempted to pick a safe retread like former Treasury Secretary Larry Summers though some progressives hope his choice will be less beholden to Wall Street, as William Greider told Dennis J Bernstein.

By Dennis J Bernstein

Some news reports suggest that President Obama is eyeing former Treasury Secretary Lawrence Summers as his nominee to replace Federal Reserve Board Chairman Ben Bernanke, but some progressives view Summers as just one more Wall Street insider.

William Greider, a reporter, editor, author and columnist over a 40-year career, wrote the landmark book, *Secrets of the Temple: How the Federal Reserve Runs the Country,* recently wrote, “Summers is a toxic retread from the old boys’ network and a nettlesome egotist who offended just about everyone during his previous tours in government. More to the point, Summers was a central player in the grave governing errors that led to the financial collapse and a ruined economy.”

In a recent interview with Dennis J Bernstein Greider said he was shocked and outraged that the Obama administration was now floating Summers as the possible next Fed chairman.

DB: Were you surprised that Lawrence Summers is [President] Obama;s first choice to replace the current Fed Chair?

WG: To put it mildly, yes. I mean his name has been ï¬,oating around on everybody’s list of who might be the chairman. And it was well known, years back, that he had that desire to wind up as Fed chairman. I think everybody, starting with my wife, when I told them, that “Hey, I’m getting a feed from a source that says that they were actually going to do this.” She was aghast. My daughter-in-law was aghast. My various colleagues have all expressed the same kind of “Oh, no that can’t be true!” And so I clearly got the feed so that people like me, and you would spread the word. I don’t know that it’s a done deal. I think probably not. But as soon as people start talking seriously about what that would mean, I think that, that can kill it.

DB: Well, I want to see if I can get you to talk seriously about what that might mean. And maybe you can put it in the context of his recent history. Remind us of from where Summers comes, and something about the impact his policy and advising has had on the U.S.

WG: And I go back a long, long way with Larry Summers. We’re not friends or anything at all, but I’ve interviewed him, etc., etc. He started life as one of these sort of wizardly boy-genius types and has that reputation. I have no doubt that he is very, very smart, and bright, etc. But he started as part of the Democratic Party and then over time he evolved into something different. I won’t say he’s a Republican, but he’s taken the side of ï¬nance, and so forth and so on. Most spectacularly, during the Clinton administration, where he was post White House economic type and then went to Treasury where he was ï¬rst number two guy to Robert Rubin and then later became Treasury Secretary himself.

Over a period of years, he and that group, including President Clinton and Robert Ruben, did real damage to the country by all of the things they did for deregulating the ï¬nancial system, destroying Glass-Steagall which was a prudent barrier between commercial banks and investment banks, opening the door wide for derivatives which turned into the great scandal ï¬ve years ago that was driving the collapse. I can go on and on. I think I wrote this piece in the Nation mainly to just sound the warning bell. And I feel conï¬dent that if the word gets around there will be a very spirited opposition, not just Republicans but from Democrats.

DB: There really does seem to be an extraordinary disconnect here because we also just saw Obama appoint Penney Pritzker, the Hyatt Regency [heiress], and you have to say, subprime banking queen, who herself crashed an S & L, after she bought it, once all the S&L’s went down. Now you’ve got this move towards Lawrence Summers. Is this a progressive president?

WG: Well, now let me give you a plausible way to understand what’s going on.

Roughly 20 years ago when there was a new type circling the political system, known as New Democrats, and Bill Clinton was one of their putative leaders. And they were going to be different. They weren’t going to be knee-jerk liberals, blah, blah, blah. And he got elected promising to do lots of things for the folks, but immediately did a right turn, both on trade and pushed NAFTA, which he got through the Congress on Republican votes, one remembers, and the deregulation sort of following the lead of Alan Greenspan, the Chairman of the Federal Reserve. Summers was very much a part of that.

But what I wanted to make clear, that was a battle that progressives lost 20 years ago, and it made all the difference in the world about what followed in politics and government. And I think one of the reasons why Summers’ friends and former associates are daring to push his name for Fed chairman is they recognize that that job could turn this whole situation in a very different direction. So, put it this way, to be a little too crude, but I will be, the Rubin-Clinton establishment is desperate to keep control of the government. It’s not about Larry Summers’ personality which is nasty, or his brilliance which is clear, it’s that he has been quite incompetent and wrong, over the years, it’s about that establishment, elite grip on the Democratic Party.

DB: People do not understand. You have gone a long way to try and help the community, Americans understand what happens at the Federal Reserve and why it’s important. What would be the difference if there really was, instead of a go-go banker, a real, peoples-oriented Federal Reserve Chairman? What could the difference be?

WG: Yeah. I think it would be absolutely fundamental. And it would require ï¬rst frankly, a kind of awakening of people at large, and a very serious effort to say, as long as people are excluded in the decision making surrounding monetary policy and the large economic policy and especially bank regulation and the ï¬nancial system – as long as that’s the case the people are going to lose. They might win a few little battles here and there, but that’s just the nature that I think is consistent over time.

A lot of people I know are absolutely determinist, you know, their pessimism is unyielding. I, on the other hand, believe if people can get a foothold on the subject, and that requires a lot of education, they can actually change things, for lots of reasons. But the principal reason is what has happened and been revealed in the last ï¬ve years is profoundly illegitimate government. And people abroad know that. Some of them know it in detail, most of them just know it in their guts. But that’s an opportunity for political change.

What it would require is, first of all, some people in the U.S. Senate, among other places, who have the courage to stand up and be critics, and to educate. And, I’m more than a little optimistic that we are heading back into a reform era, ï¬rst because the system has failed utterly to solve their problem, that is the stagnant economy. But, secondly because we’ve got some new faces coming in, and rising on the ladder. I’m not counting on the U.S. Senate to change things. I’m counting on those senators to listen to what they are hearing from people and act on it.

And I’ll mention two names which are obvious, one of them is Senator Sherrod Brown of Ohio, and he’s now a ranking subcommittee chairman of the Senate Finance Committee. He is having hearings on stuff that nobody would touch for years and years. And he’s a really smart guy, and serious, honest, tough, brave, etc. And meanwhile so is Elizabeth Warren, who has her own expertise after years of being a critic of the banks and how their predatory practices, and what that does to the country.

I have to say there’s not a long list of these people but there’s some. And if you go to the House side, the House Democratic Caucus has a pretty deep squad of genuinely progressive and aggressive people. And they’ve been blocked out for the reasons everybody knows. But you see what I mean? If I thought the ground was hopeless I wouldn’t be so enthusiastic and so eager to say “Folks, wake up, stop this thing, before it gets worse.”

And one other element, which needs to be mentioned, especially to your audience, Janet Yellen, who for some years was President of the San Francisco Federal Reserve Bank, and is now Vice-Chair of the Federal Reserve Board, was appointed by Obama, is the leading candidate to become chairman of the Fed when Bernanke’s term ends in January. And she would be the ï¬rst woman to hold that job, in a hundred years. So you see what I’m getting at? There’s a real, political momentum, ï¬rst of all not to settle for old boy retreads like Larry Summers, but secondly, Obama could make yet another historic choice here that will have deeply, positive results all the way through the system.

I would say, and people can disagree about this, I’ve never met her and I’ve read some of her stuff over the years. My sense is that she is moderately liberal, only moderately so, and she like others, associated with the Federal Reserve over many years has, I think, been wrong about things, particularly in the direction of the economy. I don’t want to be unfair to her because I need to get my head deeper into her record. But she’s from California, taught at Berkeley. She’s really good stuff is what the people tell me. So, you see what I’m getting at. I think we can work up a politics around this question that will be quite positive.

DB: Now, I’m not asking you to recount your very big book that could hold back a stadium door, *Secrets of the Temple*, but just say one or two things about the power of the Federal Reserve to change everyday lives.

WG: This is an ancient political struggle that goes back, not just in the life of this country, but in other countries before us: It is the about monetary policy and about access to credit. Who can get it, and who can’t. And it’s essentially a kind of perpetual contest between capital and labor. And what we have seen in the last 30 plus years is how capital got the controls, and capital, through the agency, especially of the Federal Reserve, but also the Congress and the White House, pounded labor and rewarded capital.

Now, I could go on and on, but I don’t want to try to teach a course here on the radio, but what I think is present now in this society that wasn’t there when I wrote that book 25 years ago, is the knowledge. People have seen the most extraordinary things they could imagine in the last ï¬ve years. And a lot of it, not all of it, but a lot of it emanated from the Federal Reserve. It pumped out, it literally created trillions of dollars. How does it do that? That’s what central banks can do, they create money. And it created, didn’t print it. That’s a wrong word. It created money and used it to bail out the banks and other ï¬nancial institutions, and so on.

A lot of people, you heard it I’m sure, more than once as they witnessed that “Where the hell did this come from? I didn’t know the Federal Reserve did that. I thought they were Fort Knox or something.” So the people are getting educated and shocked. And rather quickly they began to ask the question, somewhat sarcastically “Where’s our bailout?” The experts and the bankers and people like Larry Summers all rolled their eyes “Oh, you don’t understand, this is too complicated for you, go back to sleep.”

And I have been writing, in the Nation, for the last couple of years, really for the last three or four years with some focus. I urge people to check out these pieces. That the people, in their guts, asked exactly the right question. Why do we have a government structure in which the bankers are intimately involved, they participate in the regional banks, etc., etc.? And, of course, they have enormous inï¬,uence, how could they not, with regulators who regulate them. But the essential thing is the doctrine that said “We can do that for banks, because if the banks go down oh woe is us, we won’t survive.” And people like me come around and say “Well, why don’t you do something similar for the real economy?” For like job creation and some of the other obvious ailments, which the Fed has the power to do. And they say “Well, that would be wrong. That would be illegal.” Whatever, whatever. I mean this is the argument I want to get started. I’m doing everything I can to encourage it because I feel sure that people with even just a glimmer of democratic thought in their heads will see how wrong this is.

The government system steps in to rescue the biggest boys in town, those ï¬ve, six mega-banks, who we recall caused this problem with their derivatives blowing up, and other adventures. But it would be inappropriate to do the same thing for the people. And I just think that is so outrageous … beyond description. But secondly, it’s wrong for the economy of the country. And we are seeing the results of that now. The last 30 years was an orchestration of shifting the rewards away from ordinary folks, the middle-class, etc., to capital. Capital ownership is concentrated, and always has been. But, you know, you could live with that if the government is refereeing between those forces, and enforcing labor laws, and other things.

But that’s all been stripped away, starting with Paul Volker at the Fed and then Bill Clinton, and then the right-wingers got into it. It’ll take us ten or 20 years to restore something resembling an equitable economy. And, we’ll have to simultaneously deal with the fact that it’s not free and easy anymore for the U.S. in the world. And one of the largest reasons is the unsustainability of our economy. People know that. I don’t want to go on…you can see how I get started and I can’t stop.

DB: Well, it’s incredibly important

WG: That’s what I’m trying to emphasize. Yeah, and what you know when I ï¬rst published the book, it was weird because I did actually get on NBC’s television morning show and other places. I think it was the curiosity and the fact that the book had been serialized in The New Yorker which gave me a certain weird status at the time, before they found out who I really was. And now I get on

Paciï¬ca. But I was on with, what was her name? Jane, morning show, aren’t you a good person? And she said well, I am, and she said what many of the reviewers have said to me. Well, how does he expect anybody to understand all this mumbo, jumbo about monetary policy? And just out of my wit I said “If Americans can understand defensive strategies in pro football, they can understand the Federal Reserve.”

And she was taken aback by that, but it’s true. What they can’t understand is when monetary economists and political leaders explain it as a kind of mystical mumbo jumbo which only those few, really, really, really educated, sophisticated people can handle. That’s a lie, of course, but that’s a way of shielding the system from political action. I wrote recently, “public ignorance is a very useful tool of the governing classes.” I mean, this isn’t new, but the Federal Reserve has been a very powerful symbol of that fact. In other words, it’s not an accident that people are clueless. If you go back to the Nineteenth Century, especially in the West, the argument about money was the central ï¬ght of American politics, for generations. And that’s because people in those days, of course most of them were farmers and farmers have a sensitivity to prices and interest rates and railroad gouging and all the rest.

But, in any case, the general public in the late Nineteenth Century talked about monetary policy all the time. And the populist movement had a very interesting reform idea that actually would have worked if they hadn’t been crushed by the money class. But, so, I ask the question when I was writing that book “How did it happen that our ancestors, who after all most of them didn’t go to college and many of them never went to school at all, how did they know things, which current, modern, sophisticated Americans do not know?” It’s a good question for people to explore.

DB: Well, we’re just about out of time but I have to tell you that I sort of became a real journalist, I cut my teeth on the deregulation of the savings and loans. And we saw from Reagan on, the destruction of all the protections that came out of the crash of the Thirties, from Reagan to Clinton and all the way through. We are now at the sort of the culmination and they are still saying “The problem is we just need to free the banks.” Deregulation. That’s another word people don’t quite get.

WG: Well, it’s not easy, but it’s a very well-practiced mask for the powerful to sort of take the subject into complexities that are really not the point of the system, and befog people with those complications. And people, not surprisingly, kind of shrug and walk away. “Okay, I don’t understand what they are talking about here. I still don’t like it. I’m still suspicious, but I don’t get it.” What we’re talking about is the capacity of a political system, one party or another, or brave senators and representatives to stand up and talk about this stuff in a language and clarity that ordinary people can understand. And that once you get people doing that, it expresses respect for the citizenry that does not now exist in the government, especially at the federal level. We'll see where this thing goes. I'm hoping that the idea of Larry Summers gets snuffed out rather quickly, but who knows?

DB: Well, we're going to certainly watch that very closely. I've been waiting to talk to you for many years. Delighted to have this moment with you William Greider.

Dennis J Bernstein is a host of "Flashpoints" on the Pacifica radio network and the author of *Special Ed: Voices from a Hidden Classroom*. You can access the audio archives at www.flashpoints.net.