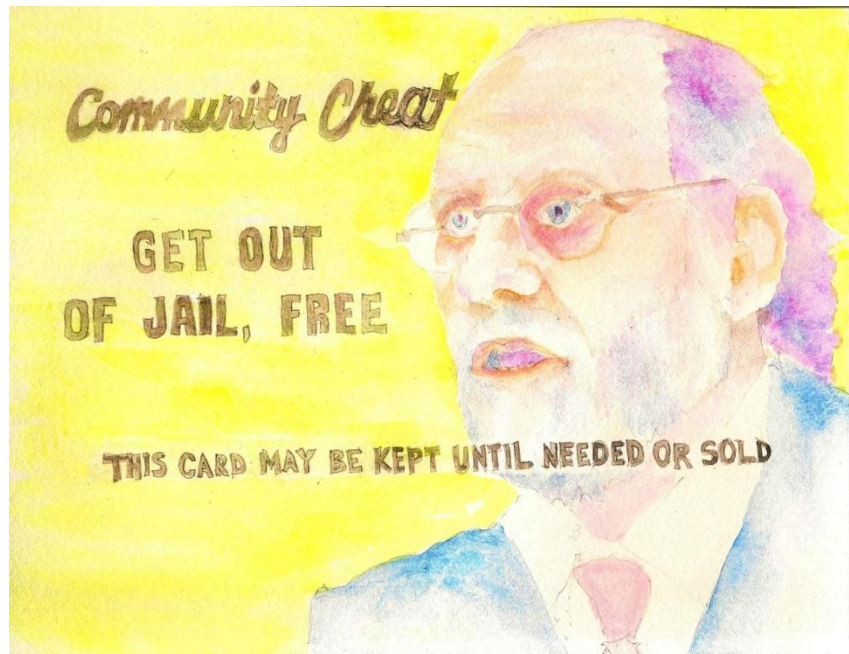


BY HUBERT KLEINPETER, PHD

**CORRUPT STATE CORPORATISM**

The traditional dichotomy between capitalism and communism is a relic of the past; now we have oppressive authoritarian political systems commandeering the instruments of capitalism. Fidel Castro, Hugo Chavez, and of Kim Jong II North Korea are capitalists puppet masters when they conduct themselves as though they were the plantation masters of state. Whether it's traditional dictators, political parties or corporations directly controlling government, all create and maintain forms of despotisms that control the state economies. That view could be debated, but the authoritarian puppet masters



of Russia, China, Europe and the US have blended government control with large scale corporations to ensure their control.

Though the word socialism in the US is an inflammatory word, there the institutionalized duopoly of two political ideologies, Republican and Democrat in need of each other, has merged state and big business into a para-statal relationship. And that relationship is managed by America's version of its puppet masters. In university public administration programs, this reality is described in organizational theory textbooks as "*hybrids*" bridging what they call the grey area between public goods and services and private services increasingly taking over those functions. Since it is difficult to compete without the "rackets" of government protection of sorts, corporations profit with rules which steer subsidies to them. Meanwhile, fiscal conservatives wink an eye and complain about subsidies to the powerless with no real, direct access to the upper echelons of power.

This mentality traveling in the guise of objective management, has given license for technocratic and political elites to travel back and forth with feign loyalties to the employing organization because they control both. They are...loyal to a *status quo* of power written by and for them – not the impoverished and diminishing middleclass supporting this usurious situation. Why is it that in other societies, politicians and cronies in tow eventually are held accountable, but in US society the upper echelons always nearly escape prosecution? Why obvious corruption is legally sanctified? Is it because professionals like lawyers and accountants are the servants of a system that requires corruption to function?

Scandals in government are the norm when political appointees come into power. It can only be expected when they work between the spaces of the public and private sectors as the brokers of power and money. Though the mortgage industry was legally "*cooking the books*," still Franklin Raines, former budget chief for President Clinton, then captain of the ship at Fannie-Mae, abandoned ship with \$240 million in benefits. Those are only the "*tip of the iceberg*." The most recent egregious case is that of Former New Jersey governor, U.S. Senator and head of bankrupt MF Global, Jon Corzine, that President Obama once

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hailed as an “*honorable man*” and one of his “*best partners*” in his administration. Corzine under oath before a Senate investigation committee gave contradicting statements of what he knew of the disappearance of \$1.2 billion in customer funds. Like all children caught in a lie, first he denied knowledge of events, and then he recollected that he had some memory of a \$175 million deal, a loan gone south. A deal on the day before filing bankruptcy that was tantamount to commingling money in trust - a type of stealing covered up by accountants and lawyers; and if need be – a president?

Being all lawyers, with the twisted use of legalese, the word recollect will fit finely into any defense against a criminal complaint, as one can claim they may have known, but not so quite sure – so they can play either side. These are very bad captains of industry when the ship of state sinks with all the citizens on board while the captains abandon them in a “*golden parachute*” of a lifeboat. In the Jon Corzine case, he had the hubris to think he could become the next Secretary of the Treasury, which Obama would have been comfortable with; and because as business as usual, the nation has descended into an economic hell on the backs of ninety-nine percent of the citizenry.

In all these cases, the accounting systems of auditing controls were intentionally neglected and manipulated – that is a clear violation of accounting principles and is unquestionably criminal. But it’s all negotiated out in a court where lawyers clean up all the obscured details. All officers affiliated with this criminality are now economic advisors to President Obama. Apparently, despite verbose claims, there is no change in this fluid connection between criminality and manipulation of government protection. Always someone must pay, with the exception of a few egregious cases, always it seems it is the powerless that pay for the act, while the instigators go free.

Where do powerful politicians and technocrats learn this attitude that the means justify the ends to a personal life of agradizement at the welfare of entire village; in this case a whole nation? Though business and law schools across America claim they teach some sense of ethical conduct, most their graduates go on to learn and manage a gambling system owned and operated by the house – a house full of educated servants serving the “*boss man*,” the untouchables like presidents and senators and financial power brokers, while hordes of field hands beg for work. And the current prostrated state of this economic plantation - is a political economy that serves power – not ethics; that is the ruse which it travels under; that all they do for themselves is done in the name of the people.

How can presidents, senators and powerful people constantly escape accountability for their acts? It seems strangely similar to the game of Monopoly when one could get a “*get out of jail*” card. Perhaps in pre-recorded history, or more recent examples of aboriginal lifestyles required an ethical cooperative relationship among village members, not stealing from each other, then lying about it. War, and religious chiefs and tribal elders actually earned the right to be independent by assisting along the dependent. It was always so, until the rise of organized power harnessed to a dead object, now a god – called money. Like fertilizer, Money ought to be spread out upon lives, to empower and created prosperity for nearly all, not to be hoarded by the few. We pretend to play the game of earning the right to be a chief, a meritocracy of earned power and wealth, but in reality, most know the truth – “*it’s who you know, not what you know.*” Because of that evident truth, politicians, bureaucrats and powerful financial interest “*game*” the system against the powerless forced by a political duopoly between Democrat and Republican to elect these corrupt people to public office. Though we claim to have a change in the affairs of political corruption every 2 years with federal elections, like a propeller going round and round the shaft of power – nothing changes for the better of all. But that idea for all is the slippery slope of who is entitled to eat, and who is not. Perhaps ordinary lazy people deserve their poverty, but clever liars with professional degrees may deserve it the most.