

## The Rich are Treated Differently

Written by George E. Curry  
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F. Scott Fitzgerald got it right when he said the rich are different. We are witnessing that in the sequester fiasco and we heard it in another form last week when Attorney General Eric H. Holder offered an asinine reason for not prosecuting bankers/gangsters known as banksters.

Testifying before Congress, Holder said, “I am concerned that the size of some of these institutions becomes so large that it does become difficult for us to prosecute them when we are hit with indications that if you do prosecute, if you do bring a criminal charge, it will have a negative impact on the national economy, perhaps even the world economy.”

Holder is not the Secretary of Treasury. While he, like all of us, might be concerned about the economy, that’s not his area of responsibility. His job as the nation’s chief law enforcer is to enforce the law. And that should apply to banksters like it applies to gangsters. But, as we know, the rich and institutions they control are treated differently.

This variation of banks being “too big to fail” is essentially telling us their CEOs are “too big to jail.” If banks are too big to fail, we should remind ourselves who allowed them to grow that large. Each time big banks gobbled up smaller ones like ATMs suck in your check deposit, they had to first win approval from the federal government. That is the same federal government that bails them out when they get in trouble and the same federal government that now whines that their CEOs are too big to jail. Try explaining that to a first-time, non-violent drug user who is rotting away behind bars.

Even in clear-cut cases of gangster behavior, there is a double-standard. Take the case of HSBC, which signed a [9 billion settlement](#) with the U.S. after CEO Stuart Gulliver acknowledged the bank’s failure to catch at least \$881 million in drug trafficking money

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that was laundered through the institution's accounts. Officials admitted their bank had facilitated illicit financial transfers on behalf of rogue nations, including Iran and Libya, as well as Mexican and Colombian drug cartels.

Their punishment? A fine that equaled 11 percent of last year's profits and a promise to do a better job of monitoring their accounts. And they avoided criminal prosecution.

Like other banks, HSBC will continue to benefit from American taxpayers underwriting its deposit insurance.

Senator Elizabeth Warren [D-Mass.] observed, "It has been almost five years since the financial crisis, but the big banks are still too big to fail. That means they are subsidized by about \$83 billion a year by American taxpayers and are still not being held fully accountable for breaking the law."

The \$83 billion a year Warren referred to represents the amount taxpayers pay in insurance to make sure U.S. bank deposits are guaranteed.

Think about that. Banks are profit making entities yet the public pays their insurance. Does anyone else pay for your homeowner's insurance? Health insurance? Car insurance? So why should the public share in banks' expenses, but not their profits? It is yet another example of the rich and their powerful institutions being different?

Contrast that different treatment with what's happening in our nation's capital.

In the never-ending game of chicken, Republicans are threatening yet another budget showdown. They are adamant that whatever comes out of the ongoing sequester and deficit debates, all cuts must come from the spending side, including Medicare and Social Security.

Although President Obama has used strong, protective language in his State of the Union and

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inauguration speeches, he has a tendency to cave in when negotiating with Republicans – and that has many Democrats worried.

Obama and his advisers have already stated that they are amenable to a “grand bargain” whereby the White House and Republicans will reach an agreement on budget cuts.

So far, 107 of the 200 House Democrats have signed a letter to the president threatening to vote “against any and every cut to Medicare, Medicaid or Social Security benefits – including raising the retirement age or cutting the cost of living adjustments that our constituents earned and need.”

In the alternative, they want the grand bargain to “rely on economic growth and more fair revenue-raising policies to solve our fiscal problems.” Those policies should include putting an end to subsidies for big businesses and raising the taxes on the wealthiest Americans.

Speaking on CNBC last week, House Speaker John Boehner said, “Listen, we’ve got a structural spending problem that has to be addressed. The president’s sequester is in effect, and it will be in effect until there’s an agreement on cuts and reforms that put us on a path to balance the budget over the next 10 years.”

But none of those cuts and reforms on the patch to a balanced budget involve touching the banksters or the rich. After all, as well all know, they are different.

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