

The HOPEFUL REALIST Newsletter:
Looking at the World Today as if Facts Matter

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Here we explore the latest facts, actions, and perspectives on the New Great Transformation of the Earth System, as it unfolds before our eyes. We apply the Hopeful Realism we all need to work through the greatest predicament in human history.

Latest News from the Hopeful Realist

What's the Big Deal? Many Americans have never quite gotten over our monarchical past; they still envy our colonial masters. Look at how so many obsess over the Royal Family and their perverse doings. Many envision our president, whoever he may be, as if he were a monarch, untouchable by ordinary folk. Untouchable by the law as well, they seem to think. Why all the fuss about any of the multiple potential indictments of the biggest political grifter in the history of the nation, who previously operated from within the White House?

What is so sacrosanct about a former incumbent of the office of President? Wake up, folks. In a democracy, it is the *office*, not the man who is sacred. Why? Because the office holder is elected, in power supposedly not because of inheritance or wealth. Too many Americans confuse the person with the office. In the case of our most recent former president, his behavior has always clearly indicated his obsession with autocracy, a distinctly un-American form of government.

So, the word is that the former president may be indicted in New York by the time you get this newsletter delivered to your inbox, or soon thereafter. And, of course, the indictment in Georgia has been 'imminent' for weeks now. The federal special prosecutor, Jack Smith, has significantly more complex cases he is building against Trump, so his expected indictment may come somewhat later.

If the often quoted statement, "nobody is above the law," is really true, then the massive evidence in each of these cases suggests that the wannabe autocrat may be in jail before the 2024 presidential election. Yes, that is unprecedented, but, so what? A crime is a crime; insurrection is an extremely serious crime and its perpetrators ought to be prosecuted, and convicted and sentence according to the evidence and the law.

Coincidentally, the International Criminal Court issued a warrant the other day for the mega-autocrat, Vladimir Putin for war crimes in Ukraine. Nobody should be surprised, of course. His

brutal mass murders, ruthless attacks on civilians, torture, mass executions, etc., are well documented in this video age. The charge, however, focuses on Putin's ordering Ukrainian children kidnapped and shipped off to Russia for adoption and indoctrination in his imaginary claim that they are Russian because Ukraine is not really a nation. The evidence is so obvious because Putin expresses his pride in that achievement.

Putin is one of the world's most powerful dictators, which is one reason Trump admires and supports him against American interests. But there are others, who Trump openly admires as well—more evidence of his sociopathy.

In times of growing national stress and disorientation, the appeal of autocratic demagogues who claim to have simple answers is usually quite strong. In such cases in Europe before mid-twentieth century, such tyrants took control, and we all know where that went for their people and many others. Today, all the danger signs are growing in the U.S. and in many European nations as well. I hope many more people read Timothy Snyder's small and extremely insightful book, *Tyranny: Twenty Lessons from the Twentieth Century* (2017), which I featured in the 11/02/2022 edition of this newsletter.

Publishing Plan Update. With my book, *At the Edge of Illusion: Facing the New Great Transformation*, taking a new more accessible form, the first volume of the Edge of Illusion Trilogy, is complete. I am now in negotiations with a publisher who has expressed interest in *Holding It Together: Social Control in an Era of Great Transformation*. We will know how that works out sometime in the next few weeks as they review the manuscript and we talk.

My eBook **HOPEFUL REALISM: A Climate Manifesto** is still available for free download from [Kindle Unlimited](#). The price will soon go to normal. Please give it a rating/review on [GoodReads.com](#). Or, [review and rate](#) *Hopeful Realism* on Amazon. On Amazon, do so by clicking the button on the lower left of the book's Amazon page below "Customer Reviews," and say a few words about what you think about the issues and how I frame them.

Note: Past issues of this Newsletter are available, archived on my web site:

<https://thehopefulrealist.com/hopeful-realist-newsletter/>

LOOK UP! A Bi-weekly Featured Commentary

Why Do Banks Fail? Well, for many reasons, of course. However, there are clear patterns of bank executive behavior under certain conditions, which almost guarantee failure at some point. The current collapse of a few so-called "regional banks," which were actually far bigger than regional, are useful cases in point.

Several things have happened since the near collapse of the entire global financial system in 1978-1979, which resulted from the U.S. banking and financial market speculation in mortgage-derivatives. While the international banking system is far too complex to review in a few paragraphs, some distinct features and bugs appear particularly important for 'risk management' and its failure.

The passage of the Dodd-Frank legislation following the 2008 crisis contained several provisions that protected the public from wild speculation and overextension of investment risk by bank executives trying to drive up the value of their stocks to make extreme profits for the bank and extreme 'compensation' for themselves, partly in bonuses paid in overvalued stocks. I call it phantom wealth, money derived from financial speculation, not from the real economy.

For example, Dodd-Frank rules required banks to hold sufficient reserves to protect against bad investments made with borrowed money, so that if an investment lost significant value, the bank would be able to pay its debts and cover its losses without risking depositors' savings. Dodd-Frank also required periodic "stress tests," to assure that the bank's financials were safe.

Well, the banks didn't like any of that. They deployed numerous lobbyists, so many with so much money to use in persuading representatives and senators, Democrats as well as Republicans, that when the former president—the supposed billionaire with hidden tax returns and fascist tendencies—proposed legislation to do away with Dodd-Frank, political corruption prevailed. I call that bribery.

The legislation was written vaguely enough that the Fed chairman took it and ran, loosening regulations and oversight even further than the legislation explicitly required. Soon enough, Silicone Valley Bank (SVB), which held large deposits by tech sector venture capitalists and hedge fund operators, failed. When customers withdrew over 10 billion dollars from Signature Bank on rumors of its losses, federal regulators seized the bank. First Republic Bank, with similar customers as SVB, was rescued by eleven of the biggest banks in the country.

And so it goes. Maybe the situation will stabilize and "the U.S. banking system is sound," as Treasury Secretary Janet Yellen claimed the other day; maybe not, certainly not if under-regulation and lack of oversight persist.

The really odd thing about all this is the 'wild west' speculative banking culture that persists in the U.S. and elsewhere, despite what was learned from the Great Depression of the 1930s and the crash of international finance in 1968. But that is mostly due to the fact that the "Davos Men"—the members of the super-wealthy global corporate and financial elite—are the ones who really run the global as well as the U.S. economies.

Monetary systems are inherently a public utility, the premier utility of any sovereign nation. Until governments face that and shape their banking systems to come under the control of the public interest instead of being run by the billionaire class, we will continue to have banking crises from time to time. It is remarkable how absurd all this is when we consider the climate-ecological-human emergency facing us today. International finance is a key cause of the failure

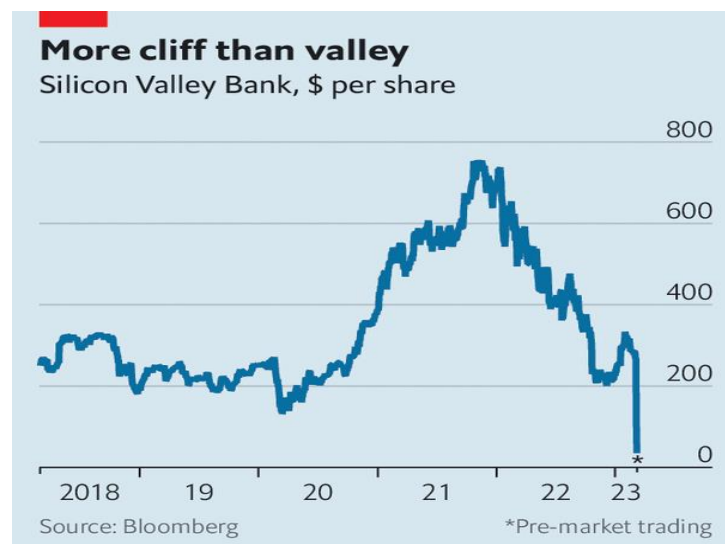
of nations to see the writing on the wall and begin to take the extreme actions necessary. Collapse of the whole international financial system will make the recent banking crises look like a Sunday picnic.

For more Hopeful Realist discussions of this and related matters, go to:

<https://thehopefulrealist.com/the-hopeful-realist-blog/>

Today's Featured Image:

Bankers make Speculative Investments for High Profits. What could possibly go wrong?



The Economist

Complex systems are not entirely predictable. "Risk Management" fails to consider that fact when decision-makers get greedy.

Bank runs are always possible when banks focus most of their attention on speculative investments for high potential profits, which always entails high risks for big losses. If banks are run like casinos with the banker as an addictive gambler, then the public is always put at risk.

Books and other Sources on the New Great Transformation

Today, our featured book explains how banking in the U.S. got us into the messy financial world we now live in, but also why public banking is the alternative that rests on the principle that monetary systems and the banking systems that manage them, can operate in the public interest, instead of the special interests of the super-rich.

Brown, Ellen. 2013. *The Public Bank Solution: From Austerity to Prosperity*. Bataon Rouge, LU: Third Millennium Press.

Ellen Brown wrote another important book before writing *The Public Bank Solution*. It was about the problem in search of that solution. *Web of Debt: The Shocking Truth About Our Money System and How We Can Break Free* explains how powerful private bankers forced the creation of the American monetary system in which the government is forced to borrow its own money in order to issue currency based on that debt. As a result, we have a debt based monetary system run by a private banking cartel, the Federal Reserve System, owned by its member banks, and connected to the U.S. Treasury, which creates money by borrowing it from the Fed, which, of course, grows the national debt by enriching the banks. How absurd is that? It is a system that is, but ought not to be.

Quotable Quotes

I have often wondered how people come to distinguish between what is and what ought to be. Too much is deemed inevitable and therefore right. Too often, we assume that what is comes under the category of 'the nature of things.' Our economic system, our political system, our culture itself, each is a human construction. We could have organized things differently, but whoever was in power at any particular time determined all sorts of things that we live with today as if they are natural and inevitable. Toni Morrison knew better.

Don't let anybody, anybody convince you this is the way the world is and therefore must be. It must be the way it ought to be."

— Toni Morrison

We live in a world of wonderful things, loads of junk, and too many severe tragedies. None of it was inevitable, at least to the extent that people could have decided to do things differently. We should be happy that some things turned out as they did; for others we should be angry and working hard to fix them.

In particular, the political-economic system devised since before and during the industrial revolution has had some great features, some of which turned out to be disasters in the end. Nothing is always right or wrong, except as it relates to the fundamental principles of right living in the world with others and our habitat. We need a collective attitude adjustment.

That is where we have gone wrong. We have created a vast and powerful system that is inadvertently committing collective suicide. The evidence is unimpeachable. We are headed for the collapse of industrial civilization and if we don't intervene now and in the extreme, we will never be able to carry out the new great transformation of human society that is our only viable path forward to an equitable *democratic ecological civilization*.

See you in two weeks. Meanwhile, stay safe and read [HOPEFUL REALISM: A Climate Manifesto](#).