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The Bi-polar World of Rich Bankers. Wall Street "Take-Off" 2012 – 2013

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On July 16, 2013, Goldman Sachs, the fifth largest US bank by assets announced its second quarter profits doubled the previous year to $1.93 billion. J. P. Morgan, the largest bank made $6.1 billion in the second quarter up 32% over the year before and expects to make $25 billion in profits in 2013. Wells Fargo, the fourth largest bank, reaped $5.27 billion, up 20%. Citigroup's profits topped $4.18 billion, up 42% over the previous year.

The ruling elite, the financial CEOs pay is soaring: John Stumpf of Wells Fargo received $19.3 million in 2012; Jamie Dimon of J. P. Morgan Chase pocketed $18.7 million and Lloyd Blankfein of Goldman Sachs took $13.3 million.

The Bush-Obama Wall Street bailout has resulted in the deepening financialization of the US economy: Finance has displaced the technology industry as the profitable sector of the US economy. While the US economy stagnates and the European Union wallows in recession and with over 50 million unemployed, US financial corporations in the Standard and Poor 500 index earned aggregate profits of $49 billion in the second quarter of 2013, while the tech sector reported $41.5 billion. For 2013, Wall Street is projected to earn $198.5 billion in profits, while tech companies are expected to earn $183.1 billion. Within the financial sector, the most 'speculative sectors', i.e. investment banks and brokerage houses, are dominant and dynamic growing 40% in 2013. Over 20% of the S and P 500 corporate profits are concentrated in the financial sector.

The financial crash of 2008-2009 and the Obama bailout, reinforced the dominance of Wall Street over the US economy. The result is that the parasitic financial sector is extracting enormous rents and profits from the economy and depriving the productive industries of capital and earnings. The recovery and boom of corporate profits since the crises turns out to be concentrated in the same financial sector which provoked the crash a few years back.

The Crises of Labor Deepens – 2013

The new speculative bubble of 2012 – 2013 is a product of the central banks' (the Federal Reserve in the United States) low (virtually zero) interest policies, which allow Wall Street to borrow cheaply and speculate, activities which puff up stock prices but do not generate employment, and furthermore depress industry and polarize the economy.

The Obama regime's promotion of financial profits is accompanied by its policies reducing living standards for wage and salaried workers. The White House and Congress have slashed public spending on health, education and social services. They have cut funds for the food stamps program (food subsidies for poor families), day care centers, unemployment benefits, social security inflation adjustments, Medicare and Medicare programs. As a result the gap between the top 10% and the bottom 90% has widened. Wages and salaries have declined in relative and absolute terms, as employees take advantage of high unemployment (7.8% official) underemployment (15%) and precarious employment.

In 2013 capitalist profits , especially in the financial capital, are booming while the crises of labor persists, deepens and provokes political alienation. Outside of North America , especially in the European periphery, mass unemployment and declining living standards has led to mass protests and repeated general strikes.

In the first half of 2013 Greek workers organized four general strikes protesting the massive firing of public sector workers; in Portugal two general strikes have led to calls for the resignation of the Prime Minister and new elections. In Spain corruption at the highest level, fiscal austerity leading to 25% unemployment and repression have led to intensifying street fighting and calls for the regime to resign.

The bi-polar world of rich bankers in the North racking up record profits and workers everywhere receiving a shrinking share of national income spells out the class basis of "recovery" and "depression", prosperity for the few and immiseration for the many. By the end of 2013, the imbalances between finance and production foretell a new cycle of boom and bust. Emblematic of the demise of the "productive economy" is the city of Detroit 's declaration of bankruptcy: with 79,000 vacant homes, stores and factories the city resembles Baghdad after the US invasion – nothing works. The Wall Street-devastated city, once the cradle of both the auto industry and the organized industrial workers' leap into the middle-class, now has debts totaling $20 billion.

The big three auto companies have relocated overseas and to non-union states while the billionaire bankers "restructure" the economy, break unions, lower wages, renege on pensions and rule by administrative decree.