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# THE NEW GILDED AGE PART II

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## THE NEW GILDED AGE (PART TWO)

By Jim Jordal

Come now, you rich, weep and howl for your miseries that are coming on you. Your riches are corrupted and your garments are moth-eaten. Your gold and your silver are corroded, and their corrosion will be for a testimony against you, and will eat your flesh like fire. You have laid up your treasure in the last days. Behold, the wages of the laborers who mowed your fields, which you have kept back by fraud, cry out, and the cries of those who reaped have entered into the ears of the Lord of Armies. You have lived delicately on the earth, and taken your pleasure&hellip;

James 5:1-5a (WEB)

Today the United States endures a new Gilded Age characterized by obscene wealth and power far beyond that of the commercial and financial titans of the first Gilded Age. This new wealth is not built upon industry, commerce, or what we might call "normal" finance, as was wealth in the first Gilded Age. The new mega-wealth increasingly arises, not from producing anything (except for Bill Gates and other innovators of the Information Age), but from speculation and manipulation of financial markets by investment banks, hedge funds and private equity capital firms. These recently developed financial entities grow the wealth of their billionaire customers, not in the "old" way of investing in productive effort, but by leveraging their accounts through sometimes-frantic speculation in the world prices of almost everything that can be bought and sold. Actually, there are so many new instruments of credit involving packaged mortgages and other derivatives of real investment that even money managers often do not understand their workings. This great wealth comes from--and returns in greatly leveraged amounts--not to the top 10 percent of our people, but mostly to the top .01 percent (or about 30,000 persons).

According to most economists any massive concentration of capital at the very top of the income pyramid threatens to distort and destabilize the entire economic system. And with the modern transportability of capital afforded by the mere stroke of a computer key, the entire world economy comes under threat of financial meltdown.

Great wealth at the top due to excessive income inequality is a reality in totally free market economies since there is nothing inherent in free markets to limit income inequality. And so the more freedom government allows in the marketplace, the more unequal becomes the distribution of income. Since the holders of great wealth operate essentially in a deregulated economy (courtesy of compliant legislative bodies and faulty economic theories held by many political leaders) they are free to speculate at will without real fear of government intervention. So you get the savings and loan crisis of the mid-80s, the dot-com bubble of the late 90s, and the recent sub-prime mortgage debacle.

The "Robber Barons" of the first Gilded Age excused their excesses by claiming they were building an industrialized nation from nothing. Modern Robber Barons have no such excuse. They don't build nations; they build their own personal fortunes. In fact, one could easily claim that by their depredations they are destroying the economic pillars of the world's most powerful economy.

The old Robber Barons subverted the legislative process, especially in the U.S. Senate, by using their money to literally "buy" a legislator. Since there were no regulatory commissions then, they had no need for subversion at that level. Modern Robber Barons have gone much further in the suborning process: they control through campaign contributions, influence peddling, and lobbying not only the federal and state legislative bodies, but also many parts of the executive and judicial branches of government. Consider what happens when prominent politicians or military officers retire—they often move into the corporate world as highly paid lobbyists and influence peddlers representing the very powers they were formerly charged with regulating.

So by combining excessive greed with control of the major institutions of the nation they insulate themselves in almost unassailable positions of power and influence. But they know not the thoughts of the Lord.

In the Scripture passage above the apostle James reveals what God says about such insidious power over the lives of common people. James charges the landed gentry of his day with fraudulently withholding wages for their agricultural workers so as to build up financial reserves against more troubling times. (Sounds like today, huh?) "You have lived delicately on the earth, and taken your pleasure," James says. And we might add, all at the expense of working people and their families.

God's anger is sure, and His retribution certain. (I know, this doesn't fit the common religious conception that because God is love, He will never exact punishment for evil.) But the passage above clearly indicates God's displeasure with the oppressive and unjust behavior of many possessors of great wealth. Somehow, some way, God will correct the imbalance. I think we're beginning to see some of that correction today.