

Time for a Social Movement to Nationalize U.S. Banks

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End the foreclosures and the theft of workers' taxes

The time has come for a national U.S. social movement to put an end to private banking and to nationalize the U.S. banking and credit system.

To begin with, the popular basis for such a movement is appearing. Widespread resistance to the flood of housing foreclosures by the banks, including demonstrations, is spreading across the U.S.

In U.S. cities like Cleveland, Boston, and Philadelphia, grassroots housing groups have rallied over the past year outside local courthouses; pressured banks to renegotiate mortgages, and taken other forms of direct action. Such resistance to foreclosures has not been seen in America since the great depression of the 1930's, when massive unemployment and bank foreclosures on home mortgages similarly triggered mass resistance.

While public resistance to ever-increasing housing foreclosures is growing, the public also remains outraged over the transfer of huge sums of public money, most of it supplied by workers taxes, to banks and financial institutions whose actions in fact caused the current economic crisis.

Moreover, the U.S. public also sees that the massive transfer of money to the banks has done nothing to stem the tide of foreclosures, which are alarmingly growing in frequency. Nor has it alleviated unemployment, which is also disastrously increasing, with an additional 598,000 officially unemployed added in the past week alone..

Resistance to foreclosures; outrage at massive give-aways to the banks and finance companies; awareness that present policies do not work, and terrible suffering occasioned by unemployment and home loss; have all laid the basis for a 'Nationalize the banks' movement.

What makes such a movement necessary is the necessity to break the hold of corrupt finance capital over America. Finance capital does not rule alone; it interpenetrates with several other big business sectors. But its power is great - and remains so, or has even expanded, since Obama was elected..

Obama's whole economic team, or a large part of it, has in fact directly moved in from Wall. His new secretary of the Treasury Timothy Geithner, for example, was head of the NY Federal reserve bank - and one of Paulson and Bernackes right-hand men during the

decision to transfer of 800 billion to the banks.

Gary Gensler, the choice to head the Commodity Futures Trading Commission, also drafted legislation in 2000 that exempted the now notorious derivative's - including credit-default swaps - from regulation.

The choice to head the Securities and Exchange Commission is Mary Schapiro, who previously headed the so-called self-regulation body of the finance industry, which did nothing to stop the extraordinary speculative bubble of the recent past nor to investigate Bernard Madoff, who has now confessed to operating a \$50 billion Ponzi scheme on Wall Street.

Without a mass movement to nationalize the banks, there is a real danger that such people will simply continue the policy, under one guise or another, of transferring tax money to the banks and the rich who own them.

In an ominous sign that such may be the case, Richard Parsons, the new chairman of Citigroup, the worlds largest bank, , said a few days ago that it may well be necessary to create a new 'national bank' of the U.S. He did not mean a real functional bank which would be owned by the people. Parsons made clear that what he was proposing was a bank which would use tax money, most of which comes from workers, ,to buy up all the trillions of dollars in worthless derivatives created or dealt in by financial institutions like Citigroup.

Parsons' bank has already received hundreds of billions in bail-out money and government guarantees against losses. He is also former chairman of Time-Warner, and has strong connections with Walls Street and Washington. So his words must be taken seriously.

With people like these at the helm of the U.S. government and financial institutions, it's imperative that a clear alternative to their policies be placed before the American people. That alternative is to Nationalize the banks.

With this measure, the American people would get something of value for their tax money - real working banks - and not just worthless non-performing mortgages and derivatives. With this measure, democratic control of finance by the people and their representatives would, at least in principal, be established. With this measure, the social, and not just the 'for-profit,' aspect of finance could take hold.

It's time for groups organizing around unemployment issues, anti-poverty issues, anti-foreclosure issues, and trade union issues to come together under a new banner: Nationalize the Banks.

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