

# Memo To Obama: Nationalize the Banks; End the wars of aggression; Fire Your Advisors.

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Global Research, March 03, 2009

3 March 2009

Region: [USA](#)

Theme: [Global Economy](#)

Social action begins with concerns, which may include anger or outrage at injustice. But effective strategy must also take account of the power, positions, and possibilities of the various social forces and social classes involved. A number of such factors must be considered when mobilizing around the interests of ordinary people during the emerging world economic crisis.

First, we need to note that the share of national profits enjoyed by the financial sector in the U.S. rose from 6 percent in 1980 to 40 percent in 2008. In short, the economic power and weight of this sector has expanded astronomically in the past few decades. Almost half of all profits last year went to those who produced no goods or services useful to human beings, other than the manipulation of money and credit.

Alongside their economic ascent, this financial sectors' political power has simultaneously expanded. Witness the way the U.S. Congress rapidly agreed to the proposal of Paulson , Bush's Secretary of the Treasury, to devote 800 Billion or so of tax money, most of it from workers, to 'bailing out the banks'. This decision was taken without testimony by even one independent economist before the Congress. As one courageous legislator asked: "Are we the U.S. Congress or the boardroom of Goldman Sachs'. In the event, the answer became obvious.

It became even more obvious that finance capital is currently dominant in the U.S. when industrial capital, in the form of the 'Big three' Auto companies asked for only 25 billion U.S., a tiny fraction of the money just given to the banks, and had to beg hat in hand to garner in the end an even smaller support.

It is true that with the collapse of one bank and finance company after another the economic position of U.S. finance capital has become somewhat perilous. But with the election of Obama, whose economic team is almost entirely imported from Wall Street, its' political dominance within the U.S. state has, paradoxically, become even greater.

Nevertheless, public anger and insight into the manipulations and corruption of this sector

has grown. In any war or struggle, it is essential not to fight every enemy at once but to concentrate forces where breakthroughs or victories can be won.

In this case, finance capital, the big banks and finance companies and their owners and major investors, is the place where such a breakthrough can take place.

That is why the demand for permanent nationalization of the banks and finance companies and their subsequent use as instruments of progressive public policies to boost employment, end foreclosures, and break the power of the finance aristocracy is key at this moment.

Another demand, not yet raised to any significant degree, needs to be that Obama fire the Wall Street crowd he has surrounded himself with. If he then does so, it would of course be a step forward. If he declines, it would begin to reveal the class character of the present administration to the ordinary people of America.

### **Link Anti-Militarism with Struggle Against Finance Capital**

A third demand should be an immediate end to wars of aggression and occupation, and the reallocation of money currently spent to prop-up the banks and on militarism to projects for social good such as health care, environmental protection, and infrastructure investments.

Obama has now decisively abandoned the peace rhetoric which attracted the anti-war millions in the U.S. to help vote him into office. His just-announced extended time-table for troop withdrawals from Iraq, and the stipulation that tens of thousands of troops will then continue their presence there, is little different than the Bush policies.

As a presidential candidate, Obama argued that the Iraq war “should never have been authorized and never been waged.” Now that he is president, however, he has completely reversed his position.

“You have fought against tyranny and disorder,” he told thousands of Marines at Camp Lejeune a few days ago. “You have bled for your best friends and for unknown Iraqis. And you have borne an enormous burden for your fellow citizens, while extending a precious opportunity to the people of Iraq.”

These statements constitute a straightforward endorsement of George Bush's position that the war in Iraq is a 'war of liberation', and not an imperialist war which has unnecessarily killed hundreds of thousands of innocent Iraqi's in a U.S. bid to control strategic resources and positions in the Middle East.

Without an end to wars of aggression and occupations, no real progress on meeting peoples needs at home or abroad can be made. With the bulk of government money – most of it derived from workers work and taxes – going to armaments, wars, and the big banks, there will in reality be little left for health, housing, or other social needs.

Obamas' stimulus program can in no way make up for the trillions upon trillions currently poured into armaments, wars of aggression, and the vaults of the rich.

### **Three Points to Consider**

In sum, there are three points to consider:

First, there is the great political and economic power of the U.S. 'finance aristocracy', which currently sits in Obama's cabinet as his economic team.

Second, and despite its great power, the finance aristocracy stands condemned and discredited in the eyes of the people due to the world economic crisis it has created.

Third, there is strong ongoing public opposition to wars of aggression including the wars in Iraq and Afghanistan.

These three factors provide a real opportunity to put forward a pro-people agenda for nationally owned 'social banking'; an end to militarism; and reallocation of public money for programs which put peoples interests first rather than those of big banks, finance companies, and occupations of other countries.

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