

Justice Rising

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JUSTICE RISING is a publication of **the Alliance for Democracy**, whose mission is to end the domination of our politics, our economics, the environment, and our culture by large corporations. The Alliance seeks to establish true economic and political democracy and to create a just society with a sustainable, equitable economy.

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Robert Lanphear has been designing award-winning graphics and marketing solutions since 1990. He works with the Public Banking Institute on their graphic needs and has a design business in Seattle. See his website at www.lanpheardesign.com



Ruth Caplan is the guest editor for this issue of *Justice Rising*.



Thanks to the Public Banking Institute for their many contributions to this issue of *Justice Rising*.

Justice Rising

by Ruth Caplan

Much has been written critiquing the current economic system, particularly after the 2009 derivative-driven meltdown, which led to the Federal bail-out of the most malefasant actors, while distressed homeowners were left with nowhere to turn.

Now, bail-outs have been replaced by "bail-ins." That's right. Thanks to the Dodd-Frank Regulatory Reform Act, there are to be no more tax dollars going to bail out the Wall Street banks. Yet these banks have continued placing derivative bets in the global gambling casino. Instead we now have "bail-ins" coming to us from the global banking center in Basel, Switzerland, and endorsed in a memo between the Bank of England and the FDIC. Bail-ins are a way to save "too big to fail" banks about to go belly up due to bad bets by turning certain kinds of deposits into stock in order to recapitalize the bank. Even government deposits secured by collateral requirements are potentially subject to bail-ins. What happens to the bank deposits of a municipal or state government? Can you imagine a city trying to meet payroll with shares of stock? We won't know how this plays out until it happens, but why take such a risk with our tax dollars? Public banks do not engage in the gambling casino, so they are safe from bail-ins.

We can wring our hands or we can organize. We in the Alliance vote for organizing. This is why we have taken on public banking as one of our four major campaigns. We believe that creating public banks is perhaps the most effective tool to free ourselves from the stranglehold Wall Street has on our communities.

Following the model of the Bank of North Dakota, we advocate for the creation of public banks, which make partnership loans with local banks, including cooperative banks, to create jobs and strengthen the local economy. We veer from the North Dakota model, established almost 100 years ago to promote industry and agriculture, in that we believe it is essential to organize for public banks in the context of promoting an environmentally sustainable economy that leads us away from climate catastrophe.

AfD's Campaign to Create Public Banks

This issue of *Justice Rising* is part of the Alliance for Democracy's campaign to help establish public banks across the country. Our members are already working hard in Boston and Washington DC and will be getting involved in other campaigns. We are pleased to partner with the Public Banking Institute in this work and appreciate all their support as we have put together this issue of *Justice Rising*.

We are also pleased to support the newly created organization, BankACT, which will be promoting postal banking for the unbanked and under-banked.

This two-pronged approach establishes a clear public path for both retail banking through the US Postal Service and public partnership banking between public banks formed by our

state, county or local governments and local community banks. Taken together, these campaigns will help the Alliance achieve its goal of cracking open the vise grip Wall Street has on our economy, our government and our lives.

Ruth Caplan chairs AfD's Public Bank Campaign and has developed this issue of *Justice Rising* to serve as a useful tool for public bank campaigns around the country. To order extra copies of this issue of *Justice Rising* please contact the Alliance for Democracy office. Call 781-894-1179 or e-mail afd@thealliancefordemocracy.org. To keep abreast of campaign developments, go to <http://bit.ly/publicbanking>

Coming up: The fall issue of *Justice Rising* will feature campaigns to establish the rights of local food producers and customers.

