

Why aren't the banksters in prison?

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On Wednesday, five major international banks, including JPMorgan Chase and Citigroup, America's largest and third-largest financial institutions, pleaded guilty to felony charges for helping to manipulate global foreign exchange markets, paying a wrist-slap fine of about \$1 billion apiece.

The financial impact on JPMorgan and the other banks for pleading guilty to a felony will be effectively zero. As part of the deal, the Securities and Exchange Commission issued waivers exempting the banks from the legal repercussions arising from their status as criminal organizations, giving them continued preferential treatment in issuing debt, as well as the continued right to operate mutual funds.

Despite the claims by Justice Department officials of a criminal conspiracy "on a massive scale," carried out with "breathtaking flagrancy," there was no talk of breaking up JPMorgan or any other bank, let alone bringing criminal charges against any of their executives.

The rigging of global foreign exchange rates is only the latest in the string of crimes, frauds and criminal conspiracies for which JPMorgan has been fined by US and international regulators.

* In January 2013, JPMorgan, together with 10 other banks, agreed to pay a combined \$8.5 billion to settle charges that they forged documents to foreclose homes more quickly.

* In November 2013, the bank agreed to pay \$13 billion to settle charges that it defrauded investors by selling fraudulent mortgage-backed securities in the run-up to the housing bubble collapse in 2007 and 2008.

* That same month, JPMorgan paid \$4.5 billion to settle charges that it defrauded pension funds and other institutional investors to whom it sold mortgage bonds.

* In December 2013, JPMorgan and eight other banks were fined \$2.3 billion for manipulating the London Interbank Offered Rate (Libor), the global benchmark

interest rate on which the values of trillions of dollars in securities are based.

* In January 2014, JPMorgan paid \$2 billion in fines and penalties to settle charges that it profited from and helped operate Bernard L. Madoff's Ponzi scheme.

As a result of the crimes perpetrated by JPMorgan and other banks over the past decade, millions of people have had their homes foreclosed, and millions more have lost their jobs, while countless university endowments, pension plans, and municipalities have been swindled out of billions of dollars.

Based on this partial list of only the latest and largest crimes carried out by JPMorgan, it is no exaggeration to conclude that America's largest bank is a criminal organization. Why then is it impossible to prosecute, much less jail, JPMorgan CEO Jamie Dimon, the mastermind of all of these crimes and conspiracies?

The answer to this question lies in the vast retrogression in social relations that has taken place in America amid the enormous growth of social inequality. Behind the increasingly threadbare outwards trappings of democracy, America has become an aristocratic society, with entrenched legal and social privileges for the ruling elite.

Before the French Revolution of 1789, European society was divided into feudal estates, such as the nobility, the church prelates, and the commoners. The estate into which someone was born was not only an economic category, but affected all aspects of life, from the laws that applied to him, to the types of taxes he paid, even to the kind of clothes he was legally allowed to wear.

The foundations of American democracy, laid in the aftermath of the American Revolution, were set up in opposition to the rigid social hierarchy that dominated contemporary Europe. The American Constitution prohibits the granting and holding of titles of nobility, while the 14th Amendment explicitly guarantees "the

equal protection of the laws" to all people.

But could anyone argue that this is the case now? According to the American Bar Association, there are more than three hundred people serving sentences of life without parole for shoplifting in the state of California alone, while countless thousands of men throughout the United States are imprisoned for being too poor to pay child support.

Meanwhile the financial oligarchy and the state officials who defend their interests are effectively immune from prosecution. This tiny elite constitutes not merely a separate economic class, but effectively a separate estate, judged under what are, in effect, a different set of laws. A worker can be thrown in jail for failing to show up for a court date, while bankers who steal billions of dollars get off scot-free.

The American financial aristocracy is an inherently criminal class. Its wealth is based not on production, but on plunder, speculation and the upward redistribution of wealth through the impoverishment of the great majority of the population.

This financial oligarchy controls all the levers of power in contemporary society. The media, courts, politicians and so-called financial regulators are all under the thumb of the Wall Street mafiosos. Far from seeking to restrain Wall Street's criminality, the government functions to facilitate and cover up for its crimes.

In exchange, politicians are provided with millions of dollars in campaign contributions and "speaking fees," while top financial regulators are invariably assured high-paying positions on Wall Street after their stints with the government.

Ben Bernanke, the former Federal Reserve chairman who funneled trillions of dollars to Wall Street during the 2008 bank bailout, announced this year that he has been hired by two major Wall Street firms, the hedge fund Citadel and the bond trading firm Pimco, each of whom will presumably pay him a seven-figure salary. Bernanke followed in the footsteps of his colleague Timothy Geithner, who became the head of hedge fund Warburg Pincus in November 2013, following his stint as Treasury Secretary.

There is no way to break the power of the criminal cabal that dominates political life in the United States within the framework of the present social order. Holding the Wall Street criminals to account requires a

radical reorganization of society. Only then can the criminals who head the major US financial institutions be arrested, tried and convicted of the crimes that they have orchestrated against the populations of the United States and the whole world. Their ill-gotten gains must be seized, and the major Wall Street banks must be put under democratic control by the international working class.

This requires the building of a mass movement of the working class, whose aim must be the overthrow of the capitalist system and the socialist reorganization of economic life in the interest of the great majority of the world's population.



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