

From the Platform of Green Party U.S. -- GREEN SOLUTIONS, Banking reform

Monetary Reform (Greening the Dollar)

The crisis in our financial system makes it imperative that we restructure our monetary system. The present system of privatized control has resulted in the misdirection of our resources to speculation, toxic loans, and phony financial instruments that create huge profits for the few but no real wealth or jobs. It is both possible and necessary for our government to take back its special money creation privilege and spend this money into circulation through a carefully controlled policy of directing funds, through community banks and interest-free loans, to local and state government entities to be used for infrastructure, health, education, and the arts. This would add millions of good jobs, enrich our communities, and go a long way toward ending the current deep recession.

To reverse the privatization of control over the money issuing process of our nation's monetary system; to reverse its resulting obscene and undeserved concentration of wealth and income; to place it within a more equitable public system of governmental checks and balances; and to end the regular recurrence of severe and disruptive banking crises such as the ongoing financial crisis which threatens the livelihood of millions; the Green Party supports the following interconnected solutions:

- Nationalize the 12 Federal Reserve Banks, reconstituting them and the Federal Reserve System's Washington Board of Governors under a new Monetary Authority Board within the U.S. Treasury. The private creation of money or credit which substitutes for money, will cease and with it the reckless and fraudulent practices that have led to the present financial and economic crisis.
- The Monetary Authority, with assistance from the FDIC, the SEC, the U.S. Treasury, the Congressional Budget Office, and others will redefine bank lending rules and procedures to end the privilege banks now have to create money when they extend their credit, by ending what's known as the fractional reserve system in an elegant, non-disruptive manner. Banks will be encouraged to continue as profit-making companies, extending loans of real money at interest; acting as intermediaries between those clients seeking a return on their savings and those clients ready and able to pay for borrowing the money; but banks will no longer be creators of what we are using for money.
- The new money that must be regularly added to an improving system as population and commerce grow will be created and spent into circulation by the U.S. Government for infrastructure, including the "human infrastructure" of education and health care. This begins with the \$2.2 trillion the American Society of Civil Engineers warns us is needed to bring existing infrastructure to safe levels over the next 5 years. Per capita guidelines will assure a fair distribution of such expenditures across the United States, creating good jobs, re-energizing the local economies and re-funding government at all levels. As this money is paid out to various contractors, they in turn pay their suppliers and laborers who in turn pay for their living expenses and ultimately this money gets deposited into banks, which are then in a position to make loans of this money, according to the new regulations.