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## Rescuing America from Wall Street

By [Harold Meyerson](#), Published: October 4

Better late than never, the movement to take America back from Wall Street has arrived. On Wednesday, the ranks of the [Occupy Wall Street encampment](#) will swell as Move-On.org members, union activists and ordinary disgruntled citizens join the demonstration against our financial sector's misrule of the American economy. What's more, long-planned anti-bank demonstrations in major cities this week are growing beyond their organizers' fondest hopes as the Wall Street protest movement catches fire.

The anti-bank campaign has in fact been incubating for years — a “seed beneath the snow,” as the Italian novelist Ignazio Silone once termed the slow-to-arrive left. The sit-ins, teach-ins and street [demonstrations popping up](#) in Boston, Chicago, Seattle, San Francisco and Los Angeles are formally the handiwork of a coalition of community groups that recently gathered together as [the New Bottom Line](#). Many of these groups have focused on immediate goals — such as stopping particular banks from foreclosing on more homes. They, along with unions, have demonstrated on Wall Street many times since the 2008 financial crisis. But only now, as Occupy Wall Street — an organization that they didn't create — has grabbed the public imagination the past few weeks, are the myriad mobilizations commanding the media's attention.

“It's a confluence of planned and unplanned demonstrations,” says Stephen Lerner, a longtime organizer for the Service Employees International Union who once spearheaded the union's successful campaign to organize big-city janitors and today helps guide the groups in New Bottom Line. “We build on each other. We go ping-ponging back and forth.”

Planned and unplanned, the groups are coming together. The imminent mixing of largely young and countercultural Wall Street occupiers with more seasoned and hard-nosed unionists and middle-class liberals may produce some clashes of style, but their shared anger at what banks have done to them — to all of us — should be sufficient to cement this nascent coalition. It had better be.

At the moment, this fledgling movement is awash in a range of demands. Occupy Wall Street has [tended toward the amorphous](#), expressing a generalized rage at economic

inequality and financial hegemony. The New Bottom Line groups, and the wonks of the anti-bank left, have more concrete demands, including modifications and cancellations to student and housing debt, a financial-transaction tax, and the reinstatement of the 1932 Glass-Steagall Act (which would make garden-variety banking safer and less speculative by rebuilding the wall between commercial and investment banking).

That the proposed reforms are all over the map is understandable given the enormity of the problem. As finance has become a larger and larger part of the U.S. economy in recent decades, the U.S. economy has grown more and more dysfunctional. At Wall Street's prompting, the New Deal's constraints on finance were loosened in the 1980s and '90s, enabling banks to grow huge by speculating with other people's money and by restructuring the economy so that it ran on credit and debt.

From 1973 through 1985, as Simon Johnson, former chief economist of the International Monetary Fund, [documented in 2009](#), American banks never earned more than 16 percent of domestic corporate profits. By the mid-2000s, that figure rose to 41 percent. As with profits, so with pay: For more than three decades, from 1948 to 1982, pay levels in finance ranged from 99 to 108 percent of the average of private-sector pay. By 2007 they had reached 181 percent.

Once the servant of industry, banking became our dominant industry. It has ceased to serve us. We serve it. And when it went all but belly up in the panic of 2008, the federal government bailed it out, on the assumption of those authoring the Troubled Assets Relief Program legislation that the banks would use those funds to bail out our larger society. Instead, they took the money and sat on it. Lending to small business in particular has not bounced back.

Not all of the problems with the current American model of capitalism originate with banking. But Wall Street's growth has long come at the expense of productive enterprise, diverting dollars and talent from the business of making goods. Merely occupying Wall Street doesn't go remotely far enough. We need to diminish finance with regulations that would make our economy both more secure and more productive. Here's hoping the disparate groups of protesters come together, grow and stay in the streets. It will take a massive, vibrant protest movement to bring America's subservience to Wall Street to its overdue end.

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