

# Howie Hawkins for Congress

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## *No Wall Street Bailouts* *Economic Democracy for Economic Recovery*

### **No More Bail Outs for Insolvent Financial Corporations**

**Open the Books** – Government audits of the big financial corporations, including their “off-shore” and “off-the-books” books, to assess their solvency and risks to the economy.

**Enact a Moratorium on Foreclosures** – 3 to 4 million homes face foreclosure in the next year and up to 10 million homes over the next few years.

**Refinance Subprime Mortgages** – Establish a public housing bank, similar to the Home Ownership Loan Corporation (1933-1951), to takeover subprime adjustable-rate mortgages based on home prices inflated 70 percent above the constant 100-year trend line and refinance these mortgages into long-term fixed-rate mortgages based on 100-year trend line price. Allow subprime mortgage holders who can't pay reasonable long-term mortgage to stay as tenants at market rates. Expand affordable housing funding for those who cannot afford market rate rents.

**Democratize Nationalized and Subsidized Corporations** – Ensure government returns on debt and equity investments and public transparency and accountability through government-appointed directors on the boards of financial corporations aided by government bailouts and buyouts, including JP Morgan, Bear Stearns, Fannie Mae, Freddie Mac, AIG, Ford, Chrysler, and GM.

**Nationalize the Federal Reserve System** – Make our central banking functions public and democratically accountable, including full public ownership and control of the regional Federal Reserve Banks. Replace all Federal Reserve officers now appointed by the banks with government appointed officers.

**Establish a Public Development Bank**, like the Reconstruction Finance Corporation (1932-1953), to finance recovery of the real economy of labor and industry through public works projects and public and private enterprises to meet public goals determined by a democratic planning process.

**Re-establish the Postal Savings Bank** – Restore the US Postal Service's savings bank service to serve low-income people who have no banks in their neighborhoods or cannot afford the deposit requirements at commercial banks and need an alternative to predatory check cashers, payday loans, and pawnshops.

**Re-Regulate the Financial Industry** – Consolidate the dispersed and overlapping array of federal agencies regulating banks and financial institutions into one agency. Among the regulatory reforms needed: trade all securities and commodities on regulated exchanges, require higher margin requirements for traders, restore the ban on interstate commercial branch banking, restore caps on interest rates.

**End Predatory and Discriminatory Lending** – Strengthen laws, regulations, and prosecution against predation and discrimination in the credit industry.

**Restore Glass-Steagall Act Separation of Consumer-Oriented Commercial Banks and Speculative Investment Banks** – The Bank of America/Merrill Lynch merger and bank holding company status for investment banks JP Morgan and Goldman Sachs only put more of our savings in bank accounts, pension funds, mutual funds, and insurance reserves at risk to cover their speculative investment losses.

**Enforce Anti-Trust Laws** – No business should be “too big to fail.”

**Rewrite Bankruptcy Laws** to favor debtors once again, not creditors. Protect millions of people from predatory mortgage and credit card lenders, as well as medical bills the private insurance companies won't cover, which is the cause of over half of all consumer bankruptcies.

**Progressive Tax Reform** – Make the corporations and investors that got rich from 35 years of tax cuts, deregulation, and predatory speculation help pay for the economic recovery.

**Cut Military Spending** – \$1.5 trillion in military-related spending for FY2009. \$3 trillion in coming expenses already accrued from the Iraq and Afghanistan wars. We are paying to make the world safe for exploitation by global corporate elites at the expense of our physical and social infrastructure at home.

**Stop the Privatization of Social Security, Health Care, and Education** – Corporate interests are already planning to use the government fiscal crisis made worse by the Wall Street bailouts to come after Social Security, Medicare, and public schools with privatization schemes. Tax cuts for the rich, corporate welfare, and bloated military spending caused the fiscal crisis, not these social programs.