

Petition to Congress: Implement the Homeowners and Bank Protection Act

This petition from the Lyndon LaRouche Political Action Committee (LPAC) is being circulated across the United States by, and to, state and local elected officials, and to labor movement leaders, and other elected leaders, for presentation to the U.S. Congress. If you would like to endorse this petition, please send an e-mail to lpacpetition@gmail.com, and include your full name and your organization (for identification purposes only.)

The onrushing financial crisis engulfing home mortgages, debt instruments of all types, and the banking system of the United States, threatens to set off an economic depression worse than the 1930s.

Millions of American citizens are threatened with foreclosure and loss of their homes over the upcoming months, according to studies released by RealtyTrac and Moody's Economy.com.

The hedge funds which spread this financial collapse among markets worldwide, by dominating speculation in all those markets, are now going bankrupt and demanding government bailout of their securities and derivatives. The nominal value of the derivatives based on mortgages alone is the size of the combined GDP of the nations of the world. The hedge funds, the mortgage-backed securities, the financial derivatives *can not* be bailed out.

This financial crisis is now threatening the integrity of both state and Federally chartered banks, as typified by the run on deposits of Northern Rock mortgage bank in Britain in September and Countrywide Financial in California during the month of August; and such a banking collapse would wipe out the life savings of American citizens, and drastically undermine the economic stability of our states and cities.

In a similar financial crisis in the 1930s, President Franklin D. Roosevelt intervened to protect banks and homeowners; for example in April 1933, he introduced legislation as a "declaration of national policy . . . that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability. . . ." One month earlier, his Bank Holiday reorganized the nation's failing banks under Federal protection.

The principles of the Homeowners and Bank Protection Act of 2007, proposed by economist Lyndon H. LaRouche, Jr., meet this crisis. It requires emergency action that only the United States Congress has the capability to enact. This act includes the following provisions:

1. Congress must establish a Federal agency to place the Federal- and state-chartered banks under protection, freezing all existing home mortgages for a period of however many months or years are required to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Further, this action would also write off all of the speculative debt obligations of mortgage-backed securities, derivatives, and other forms of Ponzi Schemes that have brought the banking system to the point of bankruptcy.

2. During the transitional period, all foreclosures shall be frozen, allowing American families to retain their homes. Monthly payments, the equivalent of rental payments, shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalizing the banking systems. These affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, and the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. This shakeout will take several years to achieve. In the interim period, no homeowner shall be evicted from his or her property, and the Federal and state-chartered banks shall be protected, so they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.

3. State governors shall assume the administrative responsibilities for implementing the program, including the "rental" assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.

I urge the Congress of the United States to pass legislation embodying these three principles immediately, as emergency legislation, halting a "tsunami" of foreclosures, keeping millions of American families in their homes to avert social chaos, and protecting chartered lending banks of the United States and the states.

Signers of the Petition

Congressman Mervyn Dymally*; currently State Representative; Los Angeles, Calif.

Dr. Joycelyn Elders, former Surgeon General of the United States; Little Rock, Ark.

Congressman Andy Jacobs*; Indianapolis, Ind.

Rosa Rosales, National President, League of Latin American Citizens; San Antonio, Tex.

Current and Former State Elected Officials

Listed alphabetically by state, and alphabetically by name within each state:

Northeast/Mid-Atlantic:

Sen. Eric Coleman; Hartford, Conn.

Rep. Douglas McCrory; Hartford, Conn.

Rep. Felipe Reinoso; Bridgeport, Conn.

Jo Winch, Hartford City Council; Hartford, Conn.

Erford Fowler, City Council; Newburyport, Mass.

Councilman Jorge Gonzalez; City Council, Lawrence, Mass.

Rep. Benjamin Swan; Springfield, Mass.

Councilman Radhames Capellan; Prospect Park, N.J.

Richard Forbes; Committeeman, Pohatcong Township, Pohatcong, N.J.

Rep. Gordon Johnson; Englewood, N.J.

Harry Apolito; County Legislator, 15th District, Niagara Falls, N.Y.

Rep. Harold James; Philadelphia, Pa.

Rep. Thaddaeus Kirkland; Philadelphia, Pa.

Rep. Ron Waters; Philadelphia, Pa.

Midwest:

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Sen. Samuel Smith; E. Chicago, Ind.

Rep. Oletha Faust-Goudeau; Wichita, Kan.

Rep. Lee Gonzales; Flint Township, Mich.

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Rep. LaMar Lemmons III*; Detroit, Mich.

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Rep. Esther Haywood; St. Louis, Mo.

Rep. Rodney Hubbard; St. Louis, Mo.

Rep. Jamilah Nasheed; St. Louis, Mo.

Rep. Terry Riley*, City Council; Kansas City, Mo.

Rep. Charles Quincy Troupe*, Board of Aldermen; St. Louis, Mo.

Rep. Juanita Walton; St. Louis, Mo.

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Sen. John DeCamp*; Lincoln, Neb.

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Robert White, City Council; Cleveland, Ohio

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Sen. Theresa B. Two Bulls; Pine Ridge, S.D.

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Rep. Thad McClammy; Montgomery, Ala.

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Rep. John Rogers; Birmingham, Ala.

Rep. James Thomas; Selma, Ala.

Rep. Priscilla Taylor; West Palm Beach, Fla.

Rep. Billy Mitchell; Stone Mountain, Ga.

Rep. Howard Mosby; Atlanta, Ga.

Rep. Earnest Williams; Stone Mountain, Ga.

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Mayor Jack Hammons; Winnsboro, La.

Sen. Robert Kostelka; Monroe, La.

Mayor Reggie Skains; Downsview, La.

Rep. Earl Banks; Jackson, Miss.

Rep. Credell Calhoun; Jackson, Miss.

Jackie Washington, Business owner and NAACP activist; Biloxi, Miss.

James Mitchell, City Council; Charlotte, N.C.

Rep. Robert Brown; Charleston, S.C.

Rep. Joe Towns; Memphis, Tenn.

Supervisor James E. Clem; County Board, Loudoun County, Va.

West:

Sen. Joe Neal*, Las Vegas, Nev.

Sen. Carlos Cisneros; Questa, N.M.

John Wiley Price, Dallas County Commission; Dallas, Tex.

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